

061029

JPRS-WER-86-111

13 NOVEMBER 1986

West Europe Report

DTIC QUALITY INSPECTED 2

DISTRIBUTION STATEMENT A

Approved for public release;
Distribution Unlimited

19980512 196

FBIS

FOREIGN BROADCAST INFORMATION SERVICE

REPRODUCED BY
U.S. DEPARTMENT OF COMMERCE
NATIONAL TECHNICAL
INFORMATION SERVICE
SPRINGFIELD, VA. 22161

14
113
A06

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

13 NOVEMBER 1986

WEST EUROPE REPORT

CONTENTS

POLITICAL

DENMARK

Position, Prospects for Progressive Party in Election (Bjarne Kjaer; AKTUELT, 27 Sep 86)	1
---	---

GREECE

Alleged Mitsotakis Thoughts on U.S. Ambassador (POLITIKA THEMATA, 26 Sep-2 Oct 86)	3
PASOK Stalwarts Allegedly in, out of Favor (PONDIKI, 12 Sep 86)	4
Former PASOK Officials Announce Creation of New Parties (POLITIKA THEMATA, 26 Sep-2 Oct 86; ANDI, 26 Sep 86)	6
Arsenis, Fotilas Parties	6
Arsenis Statement, by G. Filippou	6
ND Reportedly Returns to Liberal Principles (EMBISTEVTIKO GRAMMA, 18 Sep 86)	8
Bio-Data on Winning ND's Athens Evert Team (I VRADYNI TIS KYRIAKIS, 5 Oct 86)	9
Giorgos Papandreou Interviewed on Personal Views (I. K. Pretenderis; TO VIMA, 28 Sep 86)	16
Details of New KKE-Int Organization, Leadership (TO VIMA, 28 Sep 86)	18

DI.ANA Now Third Parliamentary Party (I KATHIMERINI, 7 Oct 86)	20
Possible Consequences of 'Imposed' Cyprus Solution (I KATHIMERINI, 8 Oct 86)	21
ITALY	
DC Relations With Cossiga Deteriorating (Francesco De Vito; L'ESPRESSO, 24 Aug 86)	23
San Marino Opposition to DC-PCI Coalition Growing (AVANTI!, 11 Sep 86)	28
Briefs San Marino Officials Elected	30
SOCIAL	
GREECE	
National Chauvinist Character Trait Decried (Nikos Dimou; TO VIMA, 21 Sep 86)	31
TURKEY	
Causes, Scope of Youth Unemployment Outlined (MILLIYET, 25 Aug 86)	33
Education Expenditures Considered Inadequate	33
More Vocational Training	33
ECONOMIC	
FINLAND	
Foreign, Prime Ministers Disagree on USSR Trade (Kauko Holopainen; SUOMEN KUVALEHTI, 1 Sep 86)	35
Nation's Consumption Exceeds Production (HELSINGIN SANOMAT, 24 Sep 86)	41
FRANCE	
Growth Sectors, Occupations in Economy Examined (Jean Meilhaud; L'USINE NOUVELLE, 4 Sep 86)	45
GREECE	
Unfavorable Trend in Greek-Soviet Economic Relations (PONDIKI, 26 Sep 86)	55

Increased Imports Affect Balance of Trade Deficit (I KATHIMERINI, 2 Oct 86)	57
Value Added Tax To Affect Cost of Living (TO VIMA, 5 Oct 86)	58
Improvement Seen in August Current Accounts Balance (I KATHIMERINI, 10 Oct 86)	59
SPAIN	
Weakening of International Competitiveness Reported (Primo Gonzalez; LA VANGUARDIA, 28 Aug 86)	61
TURKEY	
Easement of Curbs on Merchant Ship Imports, Exports Urged (Editorial; DUNYA, 27 Aug 86)	64
Free Trade Zones Set for Business (Jim Bodgener; MEED, 13-19 Sep 86)	67
MILITARY	
GREECE	
Defense Minister on Controversy in Armed Forces (I KATHIMERINI, 2 Oct 86)	70
Military Officers' Resignation Rejected (I KATHIMERINI, 10 Oct 86)	72
ND Interpellation of Pyrkal Transactions (I KATHIMERINI, 7 Oct 86)	74
Steyer Agreement on Vehicle Manufacture (I KATHIMERINI, 9 Oct 86)	75
Dassault Conditions on Mirage Aircraft (I KATHIMERINI, 11 Oct 86)	76
SWEDEN	
Air Force Journal Views Goals, Missions, Plans of 1990's (FLYGVAPENNYTT, No 3, 1986)	77
Introductory Comment	77
New Flight Systems, by Goran Tode	80
STRIL 90 Control System, by Owe Eklund	88
New Base System, by Bert Darby	90

Research and Development Role, by Lars Christofferson	95
Electronic Warfare Discussed	

TURKEY

New Communications Network To Be Built for Armed Forces	
(DUNYA, 28 Aug 86)	102

ENERGY

GREECE

Large Lignite Producing Unit Faces Problems	
(I KATHIMERINI, 7 Oct 86)	103

Briefs	
Lignite Deposits	105

TURKEY

Izmir Refinery To Be Expanded; New Power Grid in Adana	
(DUNYA, 27 Aug 86)	106

ENVIRONMENTAL ISSUES

SPAIN

Chemical Waste Dumping To Continue in Cadiz Bay	
(Juan Carlos Alvaro; EL PAIS, 13 Sep 86)	107

/9987

POLITICAL

DENMARK

POSITION, PROSPECTS FOR PROGRESSIVE PARTY IN ELECTION

Copenhagen AKTUELT in Danish 27 Sep 86 p 19

[Article by Bjarne Kjaer: "Glistrup Wants Cabinet Seat"]

[Text] Progressive Party [FRP] leader Mogens Glistrup wants a cabinet post for the party if FRP becomes the decisive factor after an election and decides to support Poul Schluter's nonsocialist government.

Most opinion polls indicate that FRP will have the decisive influence the party is hoping for. After a catastrophic membership and voter decline there are indications that the party is able to hold onto around 3 percent of the voters and the vital four or five parliamentary seats that can guarantee a continued nonsocialist majority in Folketing. And Glistrup will probably win support for his demand for a cabinet post and government influence when 600 FRP people meet this weekend in Aabenraa to hold the party's 14th congress. Years of internal quarreling have thinned the ranks of the party. The survivors all belong to the party's hard core which stands behind the party leader in every respect.

Glistrup, in anticipation of a happy outcome, has offered himself as a candidate for a cabinet seat while group chairman Helge Dohrmann suggested FRP's retiring public accountant, Henrik Warburg.

Voter Defection

However the big question is whether the Progressive Party will have the decisive influence the now 60-year-old party leader, Mogens Glistrup, still dreams of. His party has long teetered on the edge of the political cutoff point and it is a long time since the "happy" days in 1973 when FRP entered Folketing with 27 seats. Most of the "borrowed" votes have long since been returned to the old parties in the years after the catastrophic 1973 election which made FRP the country's second largest political party. The Conservatives have won over a good many former FRP voters. Today FRP has only four Folketing seats and several opinion polls have shown that it could be very difficult for the party to surmount the political cutoff barrier, which means the party risks disappearing into political oblivion. This, along with the years of internal strife and power struggles in the party, is part of the reason for the two latest defections from the party. After the election in

January 1984 John Arentoft switched to the Conservatives and Ole Maisted, following his attempt to form his own party, the Free Democrats, is now a member of the Liberal Folketing group.

No Influence

It is also a fact that FRP has no political influence at all, but the remaining FRP people are hoping for a new day. They believe that the nonsocialist government's record high tax burden, its bouquet of item taxes, etc., can help revive FRP's original struggle against oppressive taxation. And there are some indications that this will happen. For the last half year at any rate, opinion polls have consistently given FRP a decisive position as the party that can determine where the political majority lies and whether or not the nonsocialist government will continue to rule in the future.

The party will use its congress in Abenra this weekend to prepare for the next election campaign.

"Our campaign starts on Saturday. If we win eight seats after the next election, FRP could easily be a deciding factor. But a future nonsocialist government should not count on our automatic support," Helge Dohrmann said.

FRP is sticking to its original special issues: tax relief and cuts in public spending. And at the same time it is trying to gain a political advantage from the opposition of a great many people to Denmark's refugee policy.

FRP Support for Krarup

"The invasion of so-called refugees must be stopped. I totally agree with Soren Krarup in his criticism of Denmark's refugee policy and I have sent him 280 kroner in support," said Helge Dohrmann.

Mogens Glistrup, the leader of the party since 1973, who currently earns a living as a private consultant on technical tax matters and legal questions, will run in the next Folketing election. Since he was sentenced to 3 years in jail in 1983 for tax evasion, he has twice been expelled from Folketing as unworthy of membership by a large majority. But he will run again and if FRP has any parliamentary representation at all after the next election, Glistrup will be sure of a seat in Folketing. The question then is whether Folketing will expel him once more or if he will be accepted as a member after he has completed serving his sentence.

6578

CSO: 3613/9

POLITICAL

GREECE

ALLEGED MITSOTAKIS THOUGHTS ON U.S. AMBASSADOR

Athens POLITIKA THEMATA in Greek 26 Sep-2 Oct 86 p 13

[Excerpts] The trip to the United States--the second one Mitsotakis has made as leader of the official opposition since he was elected leader of his party--was private. This, however, did not hinder the U.S. side from upgrading it in a striking way which astonished many.

A politician with thoroughly clear ideas and positions as concerns our foreign issues (since he handled these as minister of foreign affairs in the Georgios Rallis government), the ND leader has absolutely no difficulty in stating firm Greek positions on the need to carry out a Greek-Turkish dialogue so we will someday arrive at jointly acceptable solutions to the pending problems, under the existing treaties and international laws.

Mitsotakis conveyed to the U.S. Government the message that Papandreou is no longer able to speak on behalf of the entire Greek people--as certain circles in Athens would like to claim--since he no longer possesses the majority. And that, as they themselves perceive, there are other completely different voices on many basic issues.

On the "Keeley issue": The issue of the U.S. diplomatic delegation in Athens ought not to have been discussed. It should not be excluded, however, that the official government wished to learn the ND leader's personal assessment of Keeley's tenure thus far and, above all, how much his behavior influences the promotion of Greek-U.S. relations. What Mitsotakis would answer to such a question is reasonably easy to perceive: That for ND and himself, there is no "Keeley issue." The "Keeley issue" must exist more for the U.S. Government in the sense that it will have to be ascertained how much the policy followed by the U.S. ambassador in Greece really influences the smooth course of our bilateral relations and does not create problems, or erroneous and misleading impressions on the Greek people.

9247

CSO: 3521/16

POLITICAL

GREECE

PASOK STALWARTS ALLEGEDLY IN, OUT OF FAVOR

Athens PONDIKI in Greek 12 Sep 86 p 8

/Text/ With your man having left and before our man left for Bulgaria, the difficulties began: Andreas determined that (among other things) there are also organizational problems in the (12 year old) Movement! That is how the "game of values" began again - who is going up and who is coming down.

And so on his downward way is handsome Akis. They are blaming him for a problem regarding officials both in the provinces and in the Athens area, now that the slates are being made up for the municipal elections. In other words, they are saying that Akis did not manage to replace the "old guard" of the movement's officials with competent, new officials and, despite the tactic of "iron discipline, he did not manage to persuade the organizations to "hustle" as much as they should, nor lure the "dissatisfied" who increased in PASOK after the departure of Mr Laliotis and the economic "turn" of last October. They blame him for other things:

That he got a "carte blanche" from Andreas to form a good Executive Office, but did not do it.

That, while at one time he had the potential to succeed in having the labor union leaders Kokkinovasilis and Spyropoulos who were dropped return, he did not manage to do it.

Together with Akis (who despite the problems, however, holds "powers" in the movement and remains number 1 after Andreas), Menios is also on a downward trend. Playing the game of the "dynamic left" and expressing his dissension with the hard economic measures "blamed" on Simitis, it appears the minister of the Interior has come out as a "technical off sides", with the result that some say (and write) about his probable expulsion from the government in the next reconstruction or his demotion. (The Andreas-Karamanlis meeting intensified these rumors.)

Despite all this, there is a factor that works in favor: The "line" that was carved for the "battle" of the municipal elections, exclusively for subjects of Local Self Rule (without this meaning that if the government is challenged by the opposition, it will not answer, even if it concerns subjects of a more general policy) was a proposal of Koutsogiorgas! At an "unsuspect" time, in May, in a letter to Andreas, Menios proposed the expedition of the voting for the Self Rule Code, so that there will be room for comparison with the opposition. And later, he proposed the trio (whether they succeeded or not) of mayors remain in the three cities, with the thinking that we are analyzing in the pages dealing with the municipal elections.

Miltiadis Papaioannou is found to be in the same category, even though lately he is doing well in the press room, "he has straightened out". Rumors have him returning to the Ministry to the Prime Minister and getting assigned permanently to the position of government representative is Antonis Kourtis or D. Maroudas returning (he is desperate to return), unless the "surprise-solution" is really being prepared for the briefing. The most recent big issue that created a problem for Miltiadis is the single control of the television channels. (If Maroudas returns, then control will be taken by the known journalist who even previously had been "attacking" the position of general dictator of ERT /Greek Radio and Television/ and who recently brought the matter up again at Kastrì.) If he falls because of this, it will be unjust: the government made him do its bidding. And because the government changed its mind or at least does not want to decide, the deputy minister pays for it!

And a "man of Andreas" recently is being tried: Antonis Livanis! Why however? Whoever knows, let him tell us.

To the contrary, they seem to be "on their rise":

Giorgos Gennimatas, after a rather difficult period. Finally, Andreas appreciates that the subject of ESY /National Health System/, despite all its bad points, is making headway with public opinion and with it the ministerial image of Gennimatas is making headway too, so it is not impossible at some time for him to be called back from the "reserves" to the penthouse of the movement.

Vaso Papandreou, who despite the fire and the accusations of her colleagues that she is running a "super ministry" is considered already successful (people have forgotten that the minister of Industry is Natsinas), works methodically and is destined for higher things.

"Of another level" is the return of son Georgy who is headed at full speed for the ministry of Foreign Affairs (all of the opposition press wrote about it) but rather without the loss of others: it appears that the solution that was decided on was to have the migrant Greeks return to the Ministry of Foreign Affairs and have Georgy become a deputy minister. In other words, have him added to Papoulias, Pangalos and Kapsis.

The coming winter will be difficult in general. A (not large) reformation after the municipal elections for a more "versatile form" is necessary, according to PASOK, and they are talking about names already.

POLITICAL

GREECE

FORMER PASOK OFFICIALS ANNOUNCE CREATION OF NEW PARTIES

Arsenis, Fotilas Parties

Athens POLITIKA THEMATA in Greek 26 Sep-2 Oct 86 p 39

[Text] Gerasimos Arsenis was unable to find political expression in any of the existing parties. So he has decided to create a new one; its establishment will be announced after the municipal elections, he said in his interview to the newspaper, THESSALONIKI.

"Conditions were ripe for the party," he reportedly said. And the discussions are widening to the popular base.

But Arsenis is not the only one taking steps for a new party expression. Another former PASOK member, Asimakos Fotilas, who transferred his township from Patra to the Macedonian capital, has announced the establishment of a new political vehicle which will cover "the progressive area" and "will embrace well-known cadres who have left PASOK."

Arsenis Statement

Athens ANDI in Greek 26 Sep 86 p 20

[Article by G. Filippou]

[Excerpts] Political developments in the area of PASOK offspring are expected after the municipal elections, according to information which is being magnified by publications in a part of the press. These estimations are reinforced by the interview given by the former minister of national economy, Gerasimos Arsenis, to the newspaper, THESSALONIKI, as well as by the intentions of SSEK [expansion unknown] to proceed to political initiatives after the elections. In his interview, Arsenis--who certain newspapers report as "now determined to proceed in organizing a political movement"--estimates that a "new political situation" is being created, one characteristic of which is the "overcrowding of political forces in the same area." By this Arsenis obviously means that the political area covered by ND up to now is beginning "to be covered by the governing party," and he believes that a direct consequence is the existence of a "political vacuum" which is creating the need for "articulation of a reliable and honorable political language which will open the road for a truly progressive process." He himself thinks that "from now on the clash in the political area will be between those who believe in the new and the future, and those who have become fixed in the old and reactionary."

In addition to the initiatives of Arsenis, who thus far has made a series of speeches in provincial towns, others should also be expected from those who have left or been expelled from PASOK. For the present, however, nothing specific has taken form, nor has there been expression of tendencies and opinions which give a picture of the developments in an area which, up to now, has placed its hopes in PASOK. Nevertheless, Arsenis' latest interview sets a framework for how to perceive political developments in the Left after the elections. It means, moreover, that the intention to create a political movement is being expressed, but, of course, it is too early to determine the range and the effects it will have on political developments, especially in the PASOK area. Many believe that the results of the municipal elections will influence the activity started long ago not only in the area descended from PASOK, but also that of the broader Left. Therefore, until the elections, sensational developments should not be expected.

9247

CSO: 3521/16

POLITICAL

GREECE

ND REPORTEDLY RETURNS TO LIBERAL PRINCIPLES

Athens EMBISTEVTIKO GRAMMA in Greek 18 Sep 86 p 4

[Text] A very significant political development went by last week, unnoticed by most political analysts. It is the "return" of ND to purely liberal positions and proposals for the Greek economy.

This proposal (as GRAMMA predicted), showed how wrong the analysts were who, after the ND Second Congress, spoke of the party's return to the "neutral" radical liberalism of the 1970's. After a series of tactical maneuvers, Mitsotakis disassociated himself from certain extremely liberal slogans of the 1985 electoral campaign and thus strengthened his position in the party leadership. He was able to return to a more reasonable but equally liberal proposal at the Salonica Fair.

Important in this case is the timing (just one month prior to the municipal election) for the return of ND to a clearly liberal policy. In this way Mitsotakis neutralized the "neo-conservative" opposition which cannot live up to the requirements of a critical electoral fight, especially when the most significant neo-conservative M. Evert has other pressing priorities.

The only person who reacted was Th. Kanellopoulos who criticized the absence of social content in the ND positions (KATHIMERINI 14 Sep 86) and wrote that "he does not know whether such a significant proposal was discussed by the appropriate party organs and whether it was approved by them."

In reality, the ND platform approved--without much trouble it is true--by the Second Congress includes the main part of proposals made by Mitsotakis at the Salonica Fair, while the strengthening of the social dimension is not very easy in the midst of the worst economic crisis in Greece in the last 30 years.

7520

CSO: 3521/17

POLITICAL

GREECE

BIO-DATA ON WINNING ND'S ATHENS EVERT TEAM

Athens I VRADYNI TIS KYRIAKIS in Greek 5 Oct 86 pp 26-27

[Text] The number alone says everything. There are 21 women on the Athens ticket, in other words, about one-half of the candidates. It was one more overture by Miltiadis Evert who, in addition to revamping the party, went beyond any slogan as regards sexual equality.

Only the liberal candidate dared do it. The same way he dared to include on his team a blind woman in order to prove that being handicapped in no way implies uselessness.

Among others on the victorious renewal ticket there are: a woman deputy, a former deputy, six attorneys, seven reporters and public relations men, three actors, three physicians, three economists, two pharmacists, three architects or engineers, a composer, four businessmen, a biologist, a nurse, a skilled worker, two bank employees, a theologian, five clerks, a taxi driver, a university student and a housewife.

On the other hand, nine of the candidates are incumbent municipal councilmen who have made substantial contributions to municipal affairs during the past 4 years.

Nikolaos Angelopoulos (Bank employee)

He studied law at the University of Salonica. A Bank of Commerce employee, he is president of ETE's DA.KE, president of the Bank Employees DI.KI [Democratic Movement] and chairman of ETE [Bank of Commerce of Greece] Employee Association's executive council.

Artemis Anapliotis (Attorney)

Born and raised in Athens, he studied law at the University of Athens. He developed a broad and intensive national and social activity. Since 1975 he has been reelected a municipal councilman of Athens.

Nikos Apergis (Actor)

A graduate of the Drama School of the National Theater, he has worked as a set designer and assistant stage manager. He was a member of SEI's [Greek Actors Association] administrative council, a member of the administrative council of POTH A and is president of ND's National Party Group on Cultural Affairs.

Elsa Vergi (Actress)

She was born in Athens and is a graduate of the Drama School of the National Theater. She distinguished herself as a leading lady in classical drama. In 1960 she founded the "Vergi Theater," which remains in operation.

Ioannis Vlachogiannis (Attorney)

A graduate of Zosima Educational Academy, he studied political science at the Pandeion and law at the University of Salonica. He is a former president of PIKPA [Patriotic Institute of Social Aid and Welfare] and secretary-general of many associations.

Rena Vlachopoulou (Actress)

She has performed on stage and screen as a comedienne. Mostly she has performed in revues where she is considered to be one of the greatest stars in the area of humor and impersonations.

Gerasimos Georgakis (Businessman)

For 6 years he was vice president of the Panhellenic Importers Association. He has been a leading official of AEK [Athletic Union of Constantinople-Soccer Team] and a member of EPO [Greek Soccer Federation] and the Greek-American Chamber of Commerce for many years.

Sofia Georgana-Karagianni (Attorney)

She studied at the University of Athens. She is a charter member of the Panhellenic Women's Movement and a member of the Society for the Protection of Minors. She was a professional assistant at the General Government School of Pandeion University [Pandeios Supreme School of Political Science].

Khristos Giannakis (Physician)

He studied medicine at the University of Athens and specialized in neurology and psychiatry with postgraduate studies in Hamburg. He is an instructor at APTh [Salonica Aristoteleion University] and a member of 12 professional societies. Until 1986 he was director of the State General Hospital.

Nikos Giatrakos (Economist)

He studied political science and economics in Athens and Paris. He is an instructor of political science in regional development; he was director general of the Ministry of Coordination and is an international expert [as published].

L. Gyftopoulou-Diakoumakou (Dentist)

Born in 1941, she is a charter member of the Panhellenic Union of Professional Women where she served as treasurer and vice president. She is vice president of the Attiki Dental Association and a member of the Association for Women's Rights.

Nikos Daras (Bank employee)

He graduated from the Supreme Industrial School of Salonica and is employed at the Commercial Bank of Greece. He has been very active in social work in the Petralona region since 1978 and, in 1982, was elected district councilman for the Third District.

Gianna Daskalaki-Partheni (Attorney)

She studied at the University of Athens. Wife of businessman Giorgos Parthenis, she speaks three foreign languages. She is a member of the KIPAEA [Movement for Multilateral Disarmament Freedom and Security of Europe] and PASEN, the organization against the spread of narcotics.

Eirini Dorkofiki (Attorney)

She studied law in Athens and Pretoria. She is a member of the International Federation of Women Attorneys, a member of the Athens Bar Association. Since 1975 she has been president of the Association of Greek Women Attorneys.

Elli Evangelou (Reporter)

She is a graduate of the Art and Fashion Academy of New York and presently operates a public relations firm. She had her own program on television and has also worked for newspapers and magazines. She was elected to the city council in 1982.

Khristos Zygoris (Businessman)

He comes from Mani. He became involved in politics very early and has been a New Democracy cadre since 1974. Since 1977 he has been reelected president of the Patisia district and of the Nome Council.

Thomas Kalogyris (Taxi owner)

Born in 1931, he is a charter member of the Athens Serrai Association and the "Em. Papas of Serrai" Association. He is a charter member of EKO [Greek Federation of Taxi Owners] and, since 1984, has been an elected member of the executive council of SATA [Attiki Taxi Drivers Trade Union] on the DI.KI [Democratic Movement] ticket.

Eirini Kimouli-Kalogridi (Housewife)

Holds a degree in French literature; she is a member of the executive council of the Associations of Greek Housewives and the Democratic Women's Movement. She is a member of local women's associations and of the Family Planning Association.

Marai Kokkevi (Employee)

She comes from a political family of Messinia. She has taken special courses in insurance subjects. A member of many charitable organizations and associations, she was elected first district councilwoman (1st District) in the previous elections. During the past 4 years she introduced legislation on many issues of social and local interest.

Vasilis Koromantzios (Attorney)

He was born in 1955 and is a graduate of Pandeios and APTh's law school. He is an assistant to DSA's president, Mr. Ep. Zafeiropoulos. He is a member of the Greek branch of Amnesty International and has attended seminars on political education at the Adenauer Institution in West Berlin. He is secretary of the 4th Nome Council of New Democracy.

Terens Kouik (Reporter)

Born in Salonica in 1947, he grew up in several Athens districts. He is a regular member of the Union of Athens Daily Newspaper Editors. He first began working at a newspaper in 1966 and, since 1975, has been one of the newscast anchormen of ERT-1. At present he is the political editor of APOGEVMATINI.

Leonides Kouris (Metallurgical Engineer)

He was born in 1949. He studied at the Polytechnic and holds a degree in economics from the University of Athens and the Business Administration Institute of ASOEE [Supreme School of Economic and Commerical Sciences]. Since 1982 he has been a supervisor at the Research and Tests laboratories of DEI [Public Power Corporation]. He is a member of the executive council of the Panhellenic Association of Metallurgical Engineers.

Erasmia Kyriazi-Manganari (Greek Telecommunications Organization employee)

She was born in Athens in 1958. She studied economics at the Supreme School of Economic and Commercial Sciences from which she graduated with honors. She has been working at OTE since 1978. She is a member of the executive council of the Association of University Graduates of OTE, a member of OME [Workers Federation] of OTE and member of the executive committee of KIPAEA-OTE and a member of the Workers Cultural Center of OTE.

I. Konstandinopoulou Theofanidou (Reporter)

She studied at the School of Philosophy of the University of Athens. She is a daughter of publisher Nikos Theofanidis and, from 1970 until this past June, was editorial director of PANTHEON magazine. She is a member of ESIEA and speaks three foreign languages.

Rena Lampsas (Reporter)

She studied English and French literature as well as business administration. Since 1976 she has been vice president of the Women's Rights Association and since 1979 has been publication manager at WOMEN'S STRUGGLE magazine.

Evangelos Lekkas (Pharmacist)

A graduate of the University of Athens and Paris School of Ophthalmology, he is a member of the International Pharmaceutical Confederation and has attended international conferences. He is consul general of Indonesia and has been reelected city councilman since 1978.

Konstandinos Linoxylakis (Private employee)

A former star athlete of Panathinaikos [soccer team], he is employed by the Greek Shipyards. He holds a degree from ASOEE and has been president of the Greek Soccer Coaches Union and secretary-general of PAO [Panathenian Athletic Club]. He has been elected city councilman since 1964.

Andonis Mazarakis (Merchant)

He was born in Argostoli and came to Athens at an early age. Since 1928 he has traded at the Varvakeian Public Market and has been its president for 40 years. He is also a counselor of the Greek Confederation of Professional Craftsmen of Athens.

Panagiotis Mazarakis (Businessman)

He is active in numerous operations in the European commercial field, with great experience in Western European social problems. He is a member of the Political Bureau of the Liberals and European Liberals.

Vasilis Mikhaloliakos (Insurance agent)

He studied medicine, which, however, he has never practiced because of his responsibilities in ND, of which he is a charter member. He was ONNED [Youth Organization of the New Democracy] president from 1982 until 1984. Last February he was elected member of the party's executive committee.

Angelos Moskhonas (Economist)

Holder of a degree from AVSP [Supreme Industrial School of Piraeus], he is employed as an economics consultant in businesses and is vice president of the Economic Chamber of Commerce of Greece. An EREN [National Radical Youth Union] leading cadre, he was ONNED's first president and he is a member of ND's ideological section.

Sofia K. Mouratidou (Professor)

She studied theology at the University of Athens. She is a member of the Panhellenic Union of Theologians and the Panhellenic Organization of Housewives, she was active as a member of the Women's Affairs section of ND.

Stavros Xarkhakos (Composer)

He studied music in Athens. He first appeared as a composer in 1962 and continued his studies in Paris and New York. He cooperated with many of the best-known celebrities of the arts and has more than 30 records to his name.

Ioannis Panou (Pharmacist)

He was born in Athens in 1939. He is a graduate of the University of Athens. In 1974 he was vice president of the Pharmaceutical Association of Attiki. He is a member of many athletic and other clubs and a charter official of ND's National Party Group of Pharmacists.

Pan. Papagiannopoulos (University student)

He holds a degree from the Athens TEI [Technological Training Institutes] and is a student at the University of Athens School of Economics. He is a member of the executive council of the Economics Students Association and a member of the secretariat of DAP-NDFK [Democratic Renewal Vanguard-ND University Student Movement].

Ndemi Papadaki (Retired Civil Servant)

She was born in Agrinion and lost her sight as the result of an explosion of a hand grenade of the army of occupation. She learned Braille and graduated from Pandeion. She is a retired department chief of EOT [National Tourist Organization]. She is a member of the executive council of Greece's Lighthouse for the Blind.

Maria Papakonstandinou-Kara (Physician)

She studied in Athens and specialized in pathological anatomy. She studied oncology in the United States as a postgraduate student. She is a member of the Greek Pathological Anatomy Society and the Greek Mastology Society.

Kharalambas Papakristou (Skilled worker)

He was born in 1917. He has been a trade union leader since 1952. He served as president of the Union of Athens Shoeworkers, secretary of the Leather Workers' Federation and vice president of EKA [Athens Textile Workers Union]. He has attended international trade union congresses.

Eleni Patoukhea (Private employee)

She graduated from the State School of Social Workers. She worked on programs of the World Council of Churches. She is in charge of the secretariat and public relations of the Goulandris-Khorn Institution.

Petros-Platon Pikionis (Architect)

He is president of the Democratic Movement of Architects and vice president of the Architects' Association. He specialized in research for tourist development, restoration of buildings to their original condition, landscaping and remodeling of interiors.

Foteini Pipili (Reporter)

She was the first woman reporter to appear on television. She was engaged in investigations into the status of women. She is an ESIEA member and has received an award from the Mbotsis Institution (1984) and the Association for the Rights of Women.

Fani Roumelioti-Margariti (Dentist)

An instructor at the University of Athens, she attended postgraduate schools in the US and England. Founder and honorary president of the Greek Society of Oral Implants, she has studied painting at Kostas Iliadis School.

Victoria Sambetani-Leon (Biologist)

She is a member of the Panhellenic Union of Biologists, of the Panathenian Organization of Women, the Panhellenic Organization of Housewives and the Panhellenic Union of Women Scientists as well as of the Second Debating Team of Athens.

Konstandinos Sapsalis (Attorney)

He was elected ND deputy in 1974. From December 1977 until 1981 he was secretary-general of the Ministry of Public Order. He was reelected in 1981. He received the first nomination at both the Khalkidiki convention and that of Salonica.

Ilias Skalaos (Civil engineer)

He has been active since 1961 in union affairs of the Association of Civil Engineers and at the TEE [Technical Chamber of Greece]. He was president of the Democratic Movement of Engineers in 1982 and 1984. In 1984 he was elected president of the Panhellenic Association of Civil Engineers.

Anna Synodinou (Actress-Deputy)

She founded the Lykavittos Theater that was confiscated by the Junta. She was elected deputy in 1974 and served as deputy minister of Social Services. She has been president of ND's Women's Affairs Section for the past 4 years and has organized 200,000 women all over Greece.

Terpsikhoris Tagari-Anastosopoulou (Nurse)

She studied at the Higher School of Nursing at Evangelismos Hospital where she is employed. She has attended seminars and has specialized in pathological and surgical nursing.

Giannis Tsouderos (Architect-Urban Planner)

He did postgraduate work in Strasbourg. He is a salaried assistant instructor of urban planning at EMP [Greek Metsoviou Polytechnic School] and a member of EDP of the Architectural School of EMP (1982-1986). A member of KODISO's central committee, he was a candidate in 1982 as well.

Zakhos Khatzifotou (Reporter)

He was very active during WW II and has received many awards. He lived in France since 1944 [as published]. Since 1974 he reports as a commentator of YENED [Armed Forces Information Service] and is a correspondent for many newspapers. In 1982 he was elected first City councilman.

9732

CSO: 3521/21

POLITICAL

GREECE

GIORGOS PAPANDREOU INTERVIEWED ON PERSONAL VIEWS

Athens TO VIMA in Greek 28 Sep 86 p 6

[Interview with Giorgos Papandreou by I. K. Pretenderis: "The Young Represent Tomorrow's Greece and I Want to Represent All Youth"]

[Excerpts] The presence of a PASOK minister at the ND Youth Festival, even of DI.ANA at that, is a rather unusual event. Giorgos Papandreou, deputy minister of culture with jurisdiction over matters relating to the Overseas Greeks, People's Education, and Youth, visited these festivals. Not only the ND Festival and that of DI.ANA, but also the Youth Festivals of KNE (Communist Youth), Rigas Feraios (of KKE-Int.) and--of course--the PASOK Youth Festival.

"I will go to all the festivals," he said. "I hope only that they will not coincide with one of my trips."

There Must Be Dialogue

Question: Tell me, what prompted you to visit the festivals? Public relations or some specific view?

Answer: I believe it was my duty. First of all I am responsible for youth within the Cabinet. The festivals have become the most important event for each political youth organization. I felt it was my duty to honor their festivities and also to be informed of their views. To learn how each organization views problems and feelings of youth for which I am responsible. For example I needed to learn how KNE views the issues of education, ONNED (ND) the question of drugs, RIGAS (KKE-Int.) unemployment, and ADIN (DI.ANA) civil rights. As deputy minister of youth I also needed to find out their respective priorities.

Second, we have started a dialogue which continues, and have established more friendly relations with the youth organizations. It was practical proof that we want to contribute, beyond the ideological views of each one, to something deeper to the functioning of certain institutions, namely, politicization of youth, its participation, and its expression, regardless of the political beliefs of each one.

Third, it is, I think, necessary to overcome certain naive dogmatisms inherited mostly from our respective parties, and still held by the older generations. There should be real dialogue. It does not mean we alter our ideological features but that we see how one lives them out in practice. Thus, we give each young person a greater chance to decide what expresses him or her, in reality beyond fanaticism or blinders.

Question: What was the response to your presence at the festivals?

Answer: In principle the response was positive. The youth organizations welcomed me, toured me through their festivities, where we had the opportunity of discussing various issues, even the very institution of the festival. I think they did not see the visit as a public relations job but as an effort to have a dialogue.

Question: Let us move from local issues and talk about foreign policy. You are often thought to have strong interest in such matters. At a given moment would you like to deal with foreign policy at cabinet level? In other words, will you move to the Foreign Ministry as reported?

Answer: There is much to do where I am and I have no intention, no particular intention, of changing the area of work. A program is under way, we need time to implement certain things, and I believe I have a responsibility to work on this. Of course, the interest in foreign policy exists.

If you are a PASOK member foreign policy is a cornerstone of your interests. The overall philosophy of the Ministry of Culture, when its structure was changed, was to be utilized as a ministry capable of contributing positively to our national issues--through the overseas Greeks, through promotion of our culture, even through the Olympic idea.

Question: Beyond the foreign responsibilities as deputy minister of culture, I ask you to tell me if you have personal interest in foreign policy--if this is an area of greater interest to you than, say, agriculture.

Answer: You know I have been involved in agriculture. I was PASOK's secretary of cooperatives and I have toured the whole country.

Question: A poor illustration then...

Answer: In any event, I am interested. As you know, I have lived abroad extensively. I have met, during the junta and at other times, many foreign politicians and leaders of other nations, even though this was because I was with my father. I acquired a certain facility, I even developed personal relationships. Naturally, all these lead me to think about it. Beyond that, however, which was accidental, yes, I am interested in foreign policy.

POLITICAL

GREECE

DETAILS OF NEW KKE-INT ORGANIZATION, LEADERSHIP

Athens TO VIMA in Greek 28 Sep 86 p 56

[Text] The session of the KKE-Int. Central Committee ended yesterday with a series of organizational decisions of some small significance. They decided to consolidate the multiplicity of committees within the Central Committee in five "Circles" which will include cadres from outside the Central Committee (even from outside KKE-Int., and if this tells you something about a new party, you are right!).

Let us see. The Circles with their chiefs (who will be in charge of a secretariat) are: Economic-Social under Gr. Giannaros; Institutions under Elli Papakonstandinou; Social Policy under N. Voutsis; Education-Culture under K. Giavroglou; and Foreign Policy-International Relations-EEC under Eurodeputy K. Filinis. Within each circle there will be several committees. Non-party cadres who may join the party will be invited to participate.

Beyond that, there will be certain autonomous sections of the Central Committee (in addition to the Circles). We have the Political Committee (under I. Baniyas where the political situation will be brought up for discussion), the Organizational Center (which will chart the party's organization policy under L. Kyrkos himself), the Organizational Bureau (which has the responsibility of guiding organizations, under St. Pitsiorgas), the Youth Committee (under D. Dokopoulos, Dr. Papadimoulis and D. Alexopoulos).

Responsibility for contacts of the new party aiming at formation of the Political Organizational Committee, which will prepare Congress for establishment of the new party, was assumed by A. Brillakis, Gr. Giannaros, and B. Theodoridis.

Responsibility for the Center of Marxist Studies and AVGI will remain in the hands of L. Eleftheriou and Gr. Giannaros, respectively. G. Voulgaris will likely remain in "The Left Today." Finally, responsibility for the Public Relations Office and the Press Office will be in the hands of A. Brillakis, while A. Zakhareas will be in charge, more specifically, of the Press Office.

Let me tell you so you will know everything. The "distribution of roles" and the new organizational chart were approved by all "factions" and in fact

the proposal was done cooperatively: Giavroglou (on the part of the minority) and Sotiris Valden (one of the staunchest friends of Kyrkos who is in charge of the Parliament Committee of the Central Committee).

As far as the organizational chart is concerned, we are doing fine. As for the rest, we shall see...!

7520

CSO: 3521/18

POLITICAL

GREECE

DI.ANA NOW THIRD PARLIAMENTARY PARTY

Athens I KATHIMERINI in Greek 7 Oct 86 p 1

[Excerpts] The Second Regular Session of the Fourth Period of the Greek Chamber of Deputies [Vouli] was formally opened yesterday. During the meeting it was announced that Independent Deputy D. Nianias joined the Democratic Renewal Party [DI.ANA], thus making it the third-ranking party in the legislature.

The meeting opened at 11:00 A.M. with all members of the presidium present including Premier A. Papandreou, ND leader K. Mitsotakis, the KKE General Secretary Khar. Florakis, and DI.ANA Chairman K. Stefanopoulos. Present also was former Premier G. Rallis.

DI.ANA Third Party

Prior to the holy water ceremony, Vouli President I. Alevras read a letter by Independent Deputy D. Nianias stating that in accordance with Article 18.2 of the Vouli rules of Procedure, he now belongs to DI.ANA.

With Nianias joining DI.ANA its number of deputies increased to 11, making it Vouli's third-ranking party. Therefore, under Article 5.1 of the Rules of Procedure, DI.ANA is now entitled to elect a secretary to the Vouli Presidium. If the new text for the Rules of Procedures now being drafted by a special parliamentary committee is to include a clause increasing the number of vice presidents to five, then DI.ANA will be entitled to elect one vice president. Finally, according to Article 37.3 of the Constitution, DI.ANA will be entitled to receive from the President of the Republic the mandate to try to form a cabinet in the event the two major parties are unable to do so.

KKE did not comment on this development but parliamentary observers do not rule out the possibility of having Independent Deputy M. Drettakis join the Communist Party, so that KKE and DI.ANA will again have the same number of deputies. In this case, under the Constitution, precedence belongs to KKE because DI.ANA came into being through a split, not through an election.

Following Nianias' action, the strength of the parties in Vouli is: PASOK, 156; ND, 110; DI.ANA, 11; KKE, 10; KKE-Int, the Democratic Center Union, United Democratic Left, United Socialist Front of Greece, Democratic Socialist Party, and Christian Democracy, 1 each; and 7 independents.

7520

CS0: 3521/17

POLITICAL

GREECE

POSSIBLE CONSEQUENCES OF 'IMPOSED' CYPRUS SOLUTION

Athens I KATHIMERINI in Greek 8 Oct 86 p 5

[Text] Last Saturday in Cyprus, speaking to foreign journalists, the President of the Republic of Cyprus, Sp. Kyprianou, stated in part, that a new "explosion" in Cyprus could lead to a clash between Greece and Turkey. He added that a solution to the Cypriot problem is impossible unless Turkey changes its stand.

These statements of the chief of the Cypriot state are valid and constitute a danger signal no one should overlook. We underline these statements because we were the first to say the same almost immediately after the tragic events of July-August 1974 and repeated them often since.

Moreover, Premier A. Papandreou, speaking at the recent "summit" meeting of EEC state leaders, stated that any violent move by Turkey in Cyprus, any attempt to extend the area of Turkish military occupation there, will inevitably lead to an armed clash between Greece and Turkey.

His statement reflected the real facts and the basic and permanent views of the entire Greek nation, above and beyond all political and partisan differences, above and beyond internal political disagreements and confrontations (which are natural in a democracy) as we noted on 28 June in this same column.

No one should have illusions about this issue in both East and West. Today's conditions--objective, subjective, psychological--are entirely different from those of July 1974. The correlation of forces is also substantially different. Even the beginning of a new "Attila", even on a smaller or limited scale, will lead to an inevitable armed confrontation between Greece and Turkey, even if the two parties wanted to avoid it. Such a confrontation will not be limited to the soil of Cyprus; it will spread to the entire Greek-Turkish front.

The consequences of such an eventuality--which will spread far beyond the area of the Eastern Mediterranean--will be destructive for NATO and (more intensively and more directly) for the European community.

An explosion could also result from either an attempt to impose, as a "dictate", a "solution" acceptable to Cypriot Hellenism because it would threaten its very existence--or an excessive delay in settling the Cypriot problem. Indeed--as we have noted on other occasions--the absence of a settlement keeps the overall situation in the Eastern Mediterranean unsettled and full of danger, while it prevents any serious effort and process for solution of Greek-turkish disputes.

An agreed and generally acceptable solution of the Cypriot problem is a condition for a stable and secure improvement of Greek-Turkish relations. As we have stated before, if a solution were to be found in these relations, the slightest conflict in Cyprus could blow the whole thing.

An agreed and acceptable solution should secure the survival and a peaceful co-existence of the two ethnic communities in Cyprus, in the context of a federal state but united, independent, and free of the presence of foreign troops and foreign "colonists"--and not merely the sanctioning of the current "accomplished facts" with the prospect of turning "in due course" the entire island into a Turkish province, as the Turkish side unswervingly has been trying to achieve...

7520

CSO: 3521/15

POLITICAL

ITALY

DC RELATIONS WITH COSSIGA DETERIORATING

Rome L'ESPRESSO in Italian 24 Aug 86 pp 12-14

[Article by Francesco De Vito: "Collision Course"]

[Text] Relations between the Christian Democrats and the Quirinale have come undone. De Mita and his people charge that the chief of state has been too hasty in appointing Craxi. Cossiga, in private, says that the DC secretary's ideas were muddled.

During the Ferragosto holidays last year, the Dolomites welcomed a Francesco Cossiga who had just won election to the presidency on the first ballot, by garnering 752 votes out of 977: lighthearted, jovial, every ready to talk with tourists and to chat with reporters. During Ferragosto this year, newsmen filed stories from Auronzo del Cadore, about a Cossiga courteous as ever but more standoffish than usual, a man who confined his casual greetings to those who approached him to "Have a nice holiday." This was a Cossiga, say those in his entourage, embittered by the criticism, which he perceives as unwarranted, aimed at the Quirinal during the latest government crisis, from Socialists as well as Christian Democrats.

His first act, just after his election as president, was to turn in his DC party card, as a pledge that, from this moment on, he intended to be a party man no longer, but would henceforward be president of all the Italians. With a year's hindsight, it was precisely that quixotic decision to go it alone that touched off the debate. The attack came first from the Socialists, immediately after they authorized Giulio Andreotti to form a new cabinet. "That assignment is the expression of a determination to break with and mount a serious conflict with the socialists," thundered Claudio Martinelli, deputy PCI secretary. "Cossiga is an irresponsible man. He has behaved as if he were president of the DC, not as if he were the president of the republic," put in Biagio Marzo, unsolicited (Marzo is a member of the leadership and close to Labor Minister Gianni De Michelis). And Nicola Capria, another Socialist minister, said it all: "In this crisis, his encephalogram was absolutely flat."

Cossiga took that attack as wholly unwarranted. In the early days of the crisis, despite De Mita's months of dismissing the selection of a non-Christian Democrat to be prime minister as a freak accident that could

never recur, said, in an interview with the London TIMES, the president asserted: "Any party that joins in a coalition is entitled to equal dignity and consideration." And he added: "Craxi has succeeded in making stability visible."

Cossiga then proceeded to order Andreotti to form a new government, true, but he didn't do it as a favor to a party friend. Given the fact that the now-dissolved governing coalition had not unanimously chosen a candidate, the choice of a candidate from within the party with a relative majority was, in Cossiga's view, the only proper thing to do. Besides, why should the Socialists be so outraged? An immediate reappointment for Craxi would have been no favor, but would have meant, in that context, certain failure.

It is true as well that Andreotti's appointment had dragged on for far too long--so long, in fact, that it had turned into an exploratory exercise. This time, on the Quirinale, there was a storm of charges of "institutional abscondence initiated by Eugeno Scalpaso. That criticism deeply grieved Cossiga, because he had, until now, enjoyed cordial relations with the editor of REPUBBLICA;" and he went so far, on 14 January as to appear in person at the editorial office on Piazza Indipendenza to offer his congratulations on the paper's 10th anniversary. Yet, even in such dire straits, the president was convinced that he had some good reasons: basically, Andreotti's exploration, joining in the "praise" Giovanni Spadolini, could lead to a combat of the crisis tangle, as the end purpose was to ward off dissolving both chambers.

In the end, and altogether unexpected, came the temper tantrum on Piazza del Jesu, the day when Andreotti resigned and the thankless task was handed to Bettino Craxi. Anybody who could read between the lines of the communique from the Christian Democrats' office would have caught on instantly and seen that the "rash and ill-conceived initiatives" barb was aimed squarely at the socialist leader's appointment.

Ever since then, relations between Piazza del Jesu and the Quirinale are not what they used to be. Witness to that fact are a few remarks made confidentially by the President himself. In a meeting at the Quirinale with the leader of one of the governing parties, a few days before his departure for Auronzo del Cadore, Cossiga had some bruising comments to make on the way De Mita had handled the crisis. He mentioned, in particular, the complicated and, in his view, contradictory proposal that the government remain in office until December or that its term should be the agreed-upon 7 years.

On another occasion, Saturday 26 July, while chatting at Castelporziano with a Christian Democrat member of parliament who was a long-time friend, the president said that he had got the impression that De Mita had not worked very hard for Andreotti's success. And his friend replied: "That's the same way Andreotti's friends feel, so strongly that they are first in line to bar the way for De Mita's candidate, Mino Martinazzoli, to preside over the party troops in the Chamber."

This latest impression expressed by the president must be read in the context of what was later unveiled by two Christian Democrat spokesmen, newly-appointed Minister of Health Carlo Donat Cattin and former national chairman Flaminio Piccoli. If we are to believe them, De Mita had already decided to move immediately to dissolve both houses of parliament and to call for early elections. "Andreotti is out," declared Donat Cattin, "he wanted to give Gorla the job and move to early elections at breakneck speed, even schedule them for early October." Says Piccoli: "The day Craxi was tapped, which was 21 July last, De Mita telephoned me at 1800 for consultation. I found him surprisingly determined to break with the PSI and hold elections in the fall." That would explain the discrepancies between Piazza del Jesu and the Quirinale, where they are working very hard to prevent dissolution of both houses of parliament.

No doubt about it, in dealing with this government crisis, Cossiga has run out of luck. In the second crisis he had to cope with this July, he was attacked first by the Socialist for kow-towing to the DC, then by the Christian Democrats for not paying attention to their advice. In the first crisis, the Sigonella one last fall, he was accused of craven acquiescence to orders from Piazza del Jesu and of stripping parliament of the right to speak, when he refused to allow debate on Craxi's statements.

'This Is How I See It': A Chat With Franco Bassanini

A teacher of constitutional law and vice-chairman of the independent left deputies, Franco Bassanini is a knowledgeable and astute observer of behavior patterns on the Quirinale. We asked him for his assessment of President Cossiga's first year in office.

[Question] The president of the republic, during the latest crisis, was the target of considerable criticism: first from the Socialists over his choice of Andreotti, and then from the Christian Democrats over Craxi's reappointment. Are there grounds for such criticism?

[Answer] As a matter of fact, during an interview by ESPRESSO, I was highly critical of Cossiga's performance in handling the other crisis, the Sigonella one. It seemed to me, at the time, that the president was primarily sensitive to the needs of Piazza del Jesu.

[Question] And now?

[Answer] It seems to me that the criticism he took during the latest crisis was out of place. We know that the DC had come out openly against Craxi's reappointment. The president had no choice but to take cognizance of that and to assign the first mission to the candidate backed by the party holding the relative majority. On the other hand, the procedure governing reappointment of an outgoing chairman, cited by several Socialist spokesmen simply does not exist in our system. You had it in the first legislature because the crises in the De Gasperi government were stage-managed crises, and leadership was not an issue for discussion.

In subsequent legislatures, though, there were instances in which there were reappointments and numerous instances in which there was no reappointment. As for criticism of the DC for having too hastily fallen back on Craxi, the opposite side needs to be stated, by which I mean that Andreotti's assignment had gone on too long, to the point where it degenerated into an open-ended license to keep hunting.

[Question] And then came still more criticism on that score. The one that came from the REPUBBLICA publisher, Scalfari's piece on "institutional flight from prosecution" and the one from Constitutional scholar Silvano Tosi on "usurpation of the powers of the president of the republic."

[Answer] Some of the criticism was fairly well founded, but it is still not clear just what, specifically, the president could have done about it. The problem is not so much symptomatic of a government in its waning days: there is ample precedent for seaside-resort governments. The anomaly in all this is that the majority agreement has to do not only with the formation of this government, but also that of whatever government succeeds it.

[Question] Wouldn't it have been a good idea for the head of state to distance himself?

[Answer] The argument that the issue in question is merely a "gentlemen's agreement" is laughable. The Quirinale has let it be known that it does not consider itself bound by that, and that it will proceed in March as the constitution requires, but perhaps it might have managed to do a little more. We are also looking at an expropriation of the powers of Parliament. Since the head of state feels in duty bound to intervene with learned arguments on a matter that is as far from people's minds right now as the command of the armed forces in case of war, he should find time as well to speak out on so very important an issue as protecting the powers of Parliament.

[Question] Is his letter on command of the armed forces an adequate instrument?

[Answer] Just as Pertini had a way with words, so Cossiga has a way with letters. The head of state may also feel that, at a given moment, a problem can be dealt with appealing to the "influence bench," rather than going public with a speech to the Chamber of Deputies. In this case, though, the proceedings would be treated as confidential matters, not for publication, as happened with Einaudi.

[Question] How can we best sum up this first year of the Cossiga presidency?

[Answer] There are contradictory elements. You have a pattern of behavior whose most conspicuous trait is a degree of caution. And there are also some acts that would tend to interpret the role of head of state as that of presiding over such collegial bodies as the Superior Council of the

Magistracy or the Supreme Defense Council, which is a bit perplexing in that they seem to indicate an expansion of the presidential powers. F.D.V.

Aftermath of Crisis

Successor to a president so impervious to categorization and so unique as Sandro Pertini, the model Cossiga has set himself is Luigi Einaudi. While the motto of the Piedmontese president was "conciliate, encourage, and keep your guard posted," the Sardinian president's "be available, encourage, and post your troops."

In everyday, routine situations, the model works. Cossiga keeps an eagle eye on compliance with the law on the part of every state power, with the government at the top of the watch-list. When financial coverage was unavailable, he reauthorized the government to use a previous decree that includes the deal on renewal of the railroad workers' contract and the act allowing extraordinary intervention in the Mezzogiorno, and in so doing won praise and admiration from all sides. But when he intervenes with letters, as Einaudi used to do, on matters more delicate--such as the powers of the Superior Council of the magistracy or the command of the armed forces in wartime--confidentiality wanes, there are leaks to the press, followed by gale-force blasts of polemics.

Perhaps the mistake lay in overlooking the fact that the Einaudi model worked so well in a situation of political stability, when the DC was standing on the threshold of an absolute majority and could call upon bidable allies. That is no longer the case these days. Even the "transfer," the transition from Craxi to Andreotti in March--put together by the governing parties outside official channels, may turn out, when the smoke clears, to be unworkable. Under such conditions, a president of the republic elected by so broad a consensus would be the likeliest man to speed up those institutional reforms, without which this "deadlocked democracy" could well be mired in immobility. If Cossiga turns out to be up to that task, he could very well realize his hope "to be remembered at the end of his term as a good president."

6182/9190

CSO: 3528/6

POLITICAL

ITALY

SAN MARINO OPPOSITION TO DC-PCI COALITION GROWING

Rome AVANTI! in Italian 11 Sep 86 pp 12-14

[Text] This is neither an emergency government nor a planning government. The climate here in San Marino is tense, and the opposition is already mounting.

A month has passed, not much more than that, since the emergence of the unlikely cohabitation of Christian Democrats and communists in the new government.

Certainly the reversal of positions in which the DC and PCI, especially the PCI were the prime movers, has sown confusion among the public and reduced to disarray the political debate in San Marino.

Under the slogan, "Down With Party Lines!" DC and PCI have formed a government which is neither a planned nor an emergency government; it is a government brings together two forces historically, ideologically, culturally, and socially, the antithesis of one another.

This is the start of a new era, somebody is already muttering now. And maybe that is true. The fact remains that the socialist lay parties are to be unceremoniously consigned to opposition status seem determined to challenge, on very solid grounds, the action the new government has taken and the consummation of a union of interests that have no solid political base.

The climate is tense. The communists are afraid of the socialist reaction and warn of alleged anti-communist bias on the part of their ex-allies, palming off as anti-communism the very same findings, challenges, and initiatives that socialists and united socialists dig up and parade about with, warning the country of the contradictions and ambiguities in which the San Marino Communist Party is floundering.

The declared intent, which is for that matter understandable and legitimate, is to prevent formation of an alliance the socialists deem harmful, ill-timed, and imposed from on high.

In opposiiton circles, there have been several significant suggestions as to convergence offered spontaneously from the floor of parliament.

This natural reconciliation between socialists and the lay parties on several positions is assessed as a factor that could encourage development of a solid bond of collaboration within the opposition, at one in their determination to give the majority as much trouble and worry and as little peace as possible.

DC and PCI, on their part, seem to be carefully avoiding any pretext for a fight and on a few occasions the DC has rescued its communist allies from gravely embarrassing situations.

Everything would seem to be rolling along smoothly, but there are some who argue that, sooner or later, the communists and the Christian Democrats will wind up quarreling, if for no other reason, then because, despite the fact that it was the CP that started the crisis by severing its ties with the socialists and putting the DC into power, it was the DC itself that pulled the strings and wielded the heavier political clout.

Understandably, a lot of people are wondering how long the communists can play the good sports under the DC's hegemony, which may cost them dearly.

Meanwhile, a joint session of the Grand and General Councils has been called for 16 and 17 September, where the agenda will carry approval of several bills, among them a proposal designed to modify the current laws governing citizenship. This proposal, one the government would like to pass off as a minor adjustment, has already survived a first reading, with the socialist opposition protesting on grounds that the change would create grave discrimination among citizens and would, to all intents and purposes, sanction double citizenship. And, with reference to the possibility of acquiring a second citizenship through marriage, here is what Patrizia Busignani, PSU secretary had to say.

"We are fully aware that this is a delicate matter, but, in our view, we can no longer tolerate the idea of having class A citizens and class B citizens--privileged citizens and second-class citizens. This flies in the face of socialist principles. We are certain that the matter must be dealt with, but the solution must be sought in terms of fairness, of equal rights, and of equality, not in terms of further discrimination."

Clearly, there is no shortage of differences between majority and minority, and we are still only at the beginning.

All eyes are of course fixed on the general elections in the spring of 1987, but before that there will be the party congresses: the Socialist Unity Party congress will take place in December of this year. Perhaps the parties themselves will come forward with new factors in the panorama of political debate in San Marino. We shall be watching.

6182/9190
CSO: 3528/6

POLITICAL

ITALY

BRIEFS

SAN MARINO OFFICIALS ELECTED--Christian Democrat Giuseppe Arzilli and Communist Maurizio Tomassoni are the new regents who will govern the Republic of San Marino for the half year running from 1 October of the current year to 31 March 1987. [Text] [Rome IL MESSAGGERO in Italian 18 Sep 86 p 18] 6182/9190

CSO: 3528/6

SOCIAL

GREECE

NATIONAL CHAUVINIST CHARACTER TRAIT DECRIED

Athens TO VIMA in Greek 21 Sep 86 p 17

[Article by Nikos Dimou: "Neo-Chauvinists"]

[Excerpt] While we go from bad to worse, here comes another national scourge--the chauvinists and nation-mongers! They come improved and stronger in several versions. They come in several shapes. The least dangerous are the entirely frivolous.

Another (privileged) field of action for the nation-mongers is our relations with Turkey. We agree, we have differences, but we cannot make a solution easier by calling the Turks stupid, uncivilized and barbarians (compared to us, the super-smart and civilized). This is, of course, an easy (and cheap) way to get applause. But promoting hate has never led anywhere. Neither has hiding the truth.

Every kind of chauvinism is based on a lie. It distorts facts, conceals history, warps science--just to promote pleasing (and disorienting) illusions. It resorts to an (idealized) past to beautify the present. And thus it undermines the future.

The same is done by certain respected intellectuals who, at first sight, do not look like chauvinists. They are serious, moderate--and for this reason more dangerous. They believe that the Greeks, because of history and tradition, are a "different kind" of people--and, therefore, the European (and even world) civilization is not for them. They are all kinds of people claiming that the Greeks are "special"--and should again seek guidance in the past for their future. Not the ancient past this time, but some obscure, Anatolian-Byzantine.

Of course, if by "special character" we refer to language, religion, or tradition, then this is a special character possessed by every nation, from Dutch to Japanese, without rejecting all the achievements of the human spirit. But if we believe we are so special, that new forms of thought and life must be invented for us, so different that we must close our borders and isolate ourselves behind our special character, then we are chauvinists, unrealistic and sick.

It is an illness for a society to want to avoid the present and seek refuge in an idealized past. It is sickness to reject everything: rational thinking, science, technology, every existing form of social and economic organization--without having anything to put in their place except starry eyed Utopias. It is a sickness to resort to a supposed special character merely to justify our failures. It is a sickness to opt for isolation and retrogression.

We had enough trouble with the theories of a "chosen people" for many years--now the same theories come through the back door. We always behaved like the favored children of humanity who wanted special treatment. (We are the only nation that has created the notion of "misellenes" (Greek haters) for those who "do not love us.") I have said it before. It is time to grow up.

7520

CSO: 3521/15

SOCIAL

TURKEY

CAUSES, SCOPE OF YOUTH UNEMPLOYMENT OUTLINED

Education Expenditures Considered Inadequate

Istanbul MILLIYET in Turkish 25 Aug 86 p 4

[Excerpt] Turkey is one of the world's least caring countries about its future. It neither spends much money on education nor makes any effort to create jobs for its young.

Turkey spends only \$36--that is 25,000 Turkish liras--per person annually for education. That is less than the monthly salary of an employee working for minimum wages.

Even countries like Taiwan, Malaysia, Hong Kong, New Zealand and Mexico allocate more money for education than Turkey does. Taiwan's and Malaysia's per capita education expenditures are 4 times that of Turkey; Hong Kong and New Zealand spend 5 and 9 times as much as Turkey, respectively.

Our next-door neighbor, Greece, spends \$91 per person per year on education. The comparable figures for Portugal and Spain, the two newest members of the EEC, are \$109 and \$137, respectively. Even Brazil, the "world's biggest debtor," which has to spend a major portion of its resources on repaying its debts, is able to allocate \$50 per year for the education of each of its citizens.

The gap between Turkey and developed Western countries is even greater. Each French citizen receives \$624 per year for education. The comparable figures are \$661 for Australians, \$869 for Americans and \$977 for Canadians. Thus Canada spends 27 times as much as Turkey does on education on a per capita basis.

According to a report published by the EMF, the World Economic Forum, like Turkey, India and Thailand also do not invest much money on education. Per capita educational spending is \$8 per year in India and \$31 per year in Thailand.

The result of such poverty in education is an army of unemployed youth. In Turkey, the young form 63 percent of all enemployed persons. In other words, nearly 2 out of every 3 unemployed persons are young men and women.

More Vocational Training

Istanbul MILLIYET in Turkish 25 Aug 86 p 4

[Text] Bursa--Professor Nihat Balkir, the president of Uludag University, said that only 2 to 3 percent of the approximately 8 million young men and women between the ages of 17 to 23 in Turkey take advantage of vocational schools.

Stating that at present there are 27 universities in Turkey and that even if new universities are opened and the capacity of existing universities is expanded it will not be possible to place all young men and women wishing to study in universities, Professor Balkir said:

"Vocational schools must be more strongly emphasized to provide the trained workforce needed for the development of our country. Vocational schools receive more attention in industrialized countries. For example, 46 percent of the students in the United States study in vocational schools. The comparable figures are 36 percent for Japan and 21 percent for Greece and Bulgaria. This figure is only 2 to 3 percent in Turkey. What is the difference between us and Greece or Bulgaria? Our population is growing rapidly. By implementing an effective program, this figure of 2 to 3 percent may be increased to 20 percent in the year 2000."

Noting that this year over 530,000 graduates of high schools or equivalent institutions took the university entrance and placement examinations, Professor Balkir said: "Only a quarter of the applicants can be placed in universities and professional schools."

9588

CSO: 3554/12

ECONOMIC

FINLAND

FOREIGN, PRIME MINISTERS DISAGREE ON USSR TRADE

Helsinki SUOMEN KUVALEHTI in Finnish 1 Sep 86 pp 8-10

[Article by Kauko Holopainen: "Vayrynen Refutes Criticism: Do Hopes or Facts Underlie the Soviet Trade?"; first paragraph is SUOMEN KUVALEHTI introduction]

[Text] "I don't understand how my statement might be damaging to the interests of this country. Just the opposite. Those who claim things to be otherwise are obligated to justify their claims." This is how Foreign Minister and Center Party (KESPU) chairman Paavo Vayrynen denied charges by the Social Democrats relating to his statement on the Soviet trade. He also denied charges about his race for the presidency. "I have laid myself open to a wopping shower of invective. Certainly no one really believes that stating unpleasant facts produces points," Vayrynen said.

The dispute between the key government parties, the KESPU and the SDP [Social Democratic Party], began with an interview with Prime Minister Kalevi Sorsa that appeared in SUOMEN KUVALEHTI a couple of weeks ago. In that interview the chairman of the SDP and the Finnish-Soviet Economic Commission voiced his cautious optimism on the handling of Soviet trade problems. Sorsa believed that the large trade surplus in Finland's favor could be balanced during the term of the general agreement without dramatic cuts.

According to Prime Minister Sorsa, the volume of trade will depend on the financing negotiations to be conducted in Moscow during which they should come up with a solution to the balancing of trade within 2 or 3 years.

Chairman Vayrynen, who accused Sorsa of underestimating the problems involved in balancing the Soviet trade without mentioning him by name, responded to him in the KESPU press. The surplus that has been generated in the Soviet trade is now in itself a sizable problem, but it is to boot obviously the most important reason for the speculation that has been produced on the money market and therefore also for the high interest rates, Vayrynen charged.

In its counterattack, the SDP expressed the opinion that Vayrynen was sacrificing much too important issues on the altar of the race for the presidency. Vayrynen is dragging Finnish-Soviet relations into a domestic policy contest. The charges are substantively false and damaging to the interests of the country, the prime minister's party said with reference to the foreign minister.

Who Is the Villain?

Foreign Minister Vayrynen, who is the villain of the story?

"I don't know whether there is a villain in this story at all, but we must look the facts squarely in the eye and draw our conclusions so that the smooth functioning of the Soviet trade can be preserved in the future as well.

"I didn't accuse or criticize anyone in that interview. My only purpose was to raise the issue itself," Vayrynen assured us, just as if he had never written anything between the lines. Sorsa is after all the chairman of the Economic Commission and Foreign Trade Minister Jermu Laine (Social Democrat) its vice chairman. The general impression is that the statement was meant to be read between the lines in the presidential office as well.

Vayrynen has left to be judged on their own merit Social Democratic charges that the foreign minister acted counter to the interests of the country with his statement. Any other government would have already split because of such a statement, but not here among us. In Finland we are used to even strong language, Prime Minister Sorsa opined.

The point of the SDP critique was that Vayrynen was messing around with tactical domestic policy dispositions involving foreign policy and its key sector, the Soviet trade, which have been inviolable for decades.

"There is nothing in what we proposed that is negative from the Soviet standpoint. The position we took was aimed at getting the Finnish Government to define its policy and procedures in such a way that the steady development of exports may continue during the final years of the 1980's as well.

"It seems to me that this if anything displays a sense of responsibility for relations between Finland and the Soviet Union. We have shown concern for how relations between our two countries should be conducted in the worst of situations, if the trade deficit is allowed to grow."

Decisions Before the Parliamentary Elections

Vayrynen acknowledged that everyone in Finland, the SDP too, is genuinely concerned over the imbalance in the Soviet trade, but the estimates that have been made of the seriousness of the situation produce different final results. In his opinion, it would have been preferable for the government to have achieved unanimity on its policy among themselves, but since that is not what has happened, we need a public discussion to accelerate matters.

The foreign minister torpedoed charges that he had made tactical political appeals in fits of anger by referring to his earlier Centrist statements. He himself among other things at the end of last year proposed the formation of a ministerial trade policy committee and, in addition to him, during the summer Finance Minister Esko Ollila several times warned us about the growing surplus.

Why has the government not engaged in a thoroughgoing discussion of the Soviet trade problems?

"We've had a couple of isolated conferences. The difference in viewpoints has cropped up in them too. The SDP has been of the opinion that there is no need to start making radical cuts. In our opinion, we will drift into an impossible situation at the end of the 1980's if the surplus is allowed to grow in an uncontrolled manner," Vayrynen said. "This is, of course, unfortunate now that the elections are approaching, but the government must also bear the responsibility for developments during the final years of the decade."

Exports Threaten to Come to a Standstill

He reminded us that trade between Finland and the Soviet Union is based on the clearing system, that is, exports and imports should be in balance during the term of the 5-year general agreement.

"This means that, if the price of oil remains at roughly the present level, our exports will have to be really sharply cut back unless we adjust to the new situation quickly. If we don't do this, we will not be able to export anything at all during the final years of the decade; instead, all our imports would have to be used to cover the previously generated surplus. This would be particularly disastrous for us, especially from the standpoint of employment," Vayrynen said.

Someone has, nevertheless, fumbled if the situation is so hopeless, isn't that so?

"Here we have for a long time lived in a world of hopes; we believed that, as time goes by, perhaps by the second half of the year, the price of oil would rise. Or that we would come up with really significant volumes of additional imports and the problems would automatically be resolved," Vayrynen said without naming the dreamers.

Why hasn't the KIEPU pounded its fist on the table in the government? Why such a public uproar?

"We had a talk with the prime minister in which I presented this, my own assessment of the Soviet trade situation. During our talk the prime minister just did not take a stance on the issue, but a little while later he granted your newspaper an interview in which he arrived at a completely different kind of assessment of the situation.

"Since he was constantly publicly letting it be known that everything would resolve itself, I felt that a public discussion was necessary. After all, citizens must see the situation and prepare themselves for unpleasant decisions. These must be made so that we may avoid even more unpleasant decisions in the future."

Vayrynen also rejects claims that he is threatening us with a government crisis. In his opinion, some people have found things between the lines of the interview that are not there.

"I haven't threatened us with a government crisis. However, I did say that, if the government is incapable of taking care of the matter in a lasting way, the problems may lead to a crisis."

Some people think that future prime minister Vayrynen is wiping off the post-election table in this controversy so that he will not have to swallow what the Social Democrats have dished up right off the bat.

"That too is idle speculation. No matter who the prime minister is, he has to inform himself on the problems of the Soviet trade and, from the standpoint of the issue itself, it would be to our advantage to come to grips with them as soon as possible."

Can this still develop into a government crisis?

"That will depend on the decisions of the next few weeks. If we come up with a realistic policy in the government, there will be no crisis. At any rate, I hope that this discussion will provide a more realistic basis than before for decisions so that matters will be properly taken care of over a longer interval as well."

Vayrynen denies the statement Prime Minister Sorsa made in China to the effect that he leaked confidential information about the Soviet trade negotiations to the press.

"Everything I said is based on information that has already been published. On the other hand, the differences in the views of the KKEPU and the Social Democrats are apparent in their speeches and in the different positions they adopt in public," Vayrynen said.

And would there be room for improvement in the organizing of the Soviet trade so that such disputes would not arise in future?

"Perhaps in part. If, for example, the ministerial trade policy committee I have proposed were formed, the foreign minister would automatically be working with it. Thus the foreign minister would not fail to be invited to participate in the talks because he was forgotten, as happened last Friday."

Vayrynen thought that the controversy that has now been produced will not leave any insurmountable aftereffects in relations between the Social Democrats and the KKEPU.

"I don't believe that this will be an obstacle to cooperation between the two parties in the future. This cooperation will certainly be improved when matters are discussed and joint decisions are made," he assured us.

Government in Crisis

The political operation launched by Foreign Minister Paavo Vayrynen (KEPU) in the Soviet trade is assuming aspects that cannot fail to affect relations between the two government partners, the SDP and the KEPU, over a longer interval as well. The mistrust that has been going on for years between Vayrynen and the Social Democrats has burst into full bloom through Vayrynen's accusations.

The statement Prime Minister Kalevi Sorsa issued during his China trip, that the confidential talks on the Soviet trade with Vayrynen are at an end, was strongly worded. According to Sorsa, in future each of the two ministers will attend to only his own duties and Vayrynen will stay away from the Soviet trade talks. This was already anticipated at last Friday's conference, to which Vayrynen was not invited.

In addition to Sorsa, President Mauno Koivisto, Foreign Trade Minister Jermu Laine (Social Democrat) and Finance Minister Esko Ollila (KEPU) participated in the conference. Laine "forgot" to invite Vayrynen.

After all this, we might say that the government is in crisis, even though they are not yet talking about a government crisis. Relations between Vayrynen and the Social Democrats have never been especially cordial, but now relations clearly seem to have gone into a deep freeze. Soon the government coalition that has been in effect throughout the election term will have consumed its smallest resources of trust.

It is scarcely to be expected that the government will fall as a result of this controversy since Vayrynen will hardly introduce a proposal in the government to cut back trade with the Soviet Union as a model for resolving the situation, in which case a concrete situation would be produced in which the chief government parties would be pursuing different courses of action and the government would fall.

Courageous Foreign Minister

When he speaks of the issue itself, that is, the problems of the Soviet trade, Vayrynen speaks impassionedly of it. Finland's surplus, which has grown with the collapse in the price of oil, threatens to reduce our exports considerably over the next few years. But everyone is of the same opinion on this. There are problems, big ones too, but we cannot presumably expect anything but official optimism from Prime Minister Sorsa.

The weak point of Vayrynen's statement is that he has not, at least not so far, proposed anything concrete to get rid of the trade imbalance.

Our foreign minister cannot, however, be accused of lacking courage. He confronted the issue squarely by proposing a reduction of Finnish sales and raised the possibility of switching to freely fluctuating foreign currencies in facilities for paying off the surplus. Such outspokenness has not been heard from the minister's lips in at least a quarter of a century.

The demand for a reduction in the volume of trade is poorly suited to the principle behind Finnish-Soviet relations. Our late President Urho Kekkonen was also a pioneer of trade between our two countries. Almost to the day, a year ago his successor, President Mauno Koivisto, and Party Chairman Mikhail Gorbachev after the Kremlin negotiations expressed their common political determination to preserve a high volume of trade. Meeting last week in Helsinki after Urho Kekkonen's funeral Deputy Chairman Pyotr Demichev and President Koivisto also held views different from Vayrynen's. As for our countries' Foreign Trade Ministers Laine and Boris Aristov, after the Moscow talks they announced that the trade surplus would not reduce next year's exports.

If, after these statements, we resort to radical cutbacks in the Soviet trade, that will only happen in an extreme situation in which we are forced to do so. If that happens, Vayrynen may be declared the winner and, nationally, a wise man.

On the other hand, we must bear in mind that this trade has been out of balance before too, the last time in 1981-1982. At that time the situation was indeed different, but it was viewed as being just as unresolvable.

Our foreign minister has been left quite alone with his statement. Vayrynen's statements of position have been condemned as political tricks by everyone else in Finland from Arvo Aalto to Harri Holkeri.

The orthodox faction of the Conservative Party has its own interest in the affair. If Vayrynen, as some people think, has swept his future bailiwick as prime minister clean of Social Democratic encumbrances, setting up the Holkeris and their associates in support of Sorsa and the SDP is not a very promising move. An AAMULEHTI Gallup poll in which 51 percent of the Conservatives chose Sorsa as a postelection partner in the government and only 43 percent gave preference to a KESKPU led by Vayrynen has produced the same message.

However, those appraisers of the situation who disapprove of Vayrynen's domestic policy objectives, the races for the presidency and the prime minister's post, are hypocrites. Just turned 40, Vayrynen is one of the country's most experienced politicians and the full-fledged heir of Kosimo. Striving for an ever higher position is permitted and only natural in politics. We may differ on the means employed, but others also overshoot the mark. For example, the SDP Party Council in its attitude toward Vayrynen.

In the opinion of the Social Democrats, Vayrynen's statement was like those of that old Paavo of years ago. The Social Democrats say that a lot of water will have to flow under the bridge before mutual trust is restored to the two government partners. Vayrynen is himself much more confident. He can at least not be accused of lacking self-assurance. In any event, the "pajama pocket interview" was an important milestone on Vayrynen's royal road. Up or down? Time will tell.

11,466
CSO: 3617/2

ECONOMIC

FINLAND

NATION'S CONSUMPTION EXCEEDS PRODUCTION

Helsinki HELSINGIN SANOMAT in Finnish 24 Sep 86 p 14

[Text] Finland's economic situation may be getting darker. This has been cloaked in cautious statements as a budget appendix to the survey of the economy drafted by the Finance Ministry's National Economy Department.

"We will have to maintain tighter control over economic policy than would be desirable from the standpoint of the handling of employment," they state in the survey.

"The demand is reviving in the Western countries more slowly than expected," they say in it.

"In industry the rate of growth for production has remained at a couple of percent."

The result is that unemployment is on the increase. During the first quarter of next year the rate will rise to as much as 7.8 percent, or close to the average unemployment rate of the Western industrial nations, which is 8.25 percent. The Finance Ministry estimates that the average rate of unemployment will be 7.1 percent next year. This year's unemployment rate will probably be 6.9 percent.

The Finance Ministry estimates that the GNP will increase 2 percent this year and 3 percent next year. A year ago the ministry still believed that it would attain a growth of 3 percent this year.

"The negative effects of the drop in the price of crude oil on Finland's exports appear to be having more positive effects on the demand and sooner than anticipated," they write in the survey.

The Finance Ministry concludes that exports to the Soviet Union will be reduced by a fifth next year. "There is pressure for an even bigger reduction." The increase in exports to the West will to some extent compensate for the drop in exports to the Soviet Union. The ministry estimates that exports to the West may increase by 5 percent.

An upswing in the forest industry is at present increasing exports to the West. However, exports of textile and clothing industry, food industry and additionally processed metal products will be reduced.

The ministry estimates that imports will increase by 1.5 percent next year. Imports from Western industrial countries will increase more than that, by 5 percent.

The ministry estimates that the prices of raw material imports will drop considerably next year too. The ministry believes that the price of oil will slightly firm up. The ministry estimates that the average price will be \$15 a barrel next year.

The trade balance will continue to be positive. This year the Western trade surplus will be 3.1 billion markkas and the Soviet trade surplus 4.2 billion, the ministry estimates. Next year the Soviet trade surplus will drop to 850 million markkas. According to the ministry estimate, the trade balance surplus will be 6.5 billion markkas next year.

The trade balance deficit will grow somewhat, from this year's 1.2 billion markkas to next year's 1.7 billion.

Industrial production will increase this year by only 1.5 percent. Industrial production even dropped during the first half of the year. Especially strikes were the reason for this. Next year industrial production will increase even a little faster, by 2.5 percent, the ministry estimates. Production growth figures are, however, of a quite different order than in previous years. During the past 10 years industrial production increased on an average of 4.4 percent a year.

Agricultural production will decrease by 1 percent this year and the same next year.

The slump in home construction will continue. Home construction operations will decline this year by 2.5 percent. Last year they dropped 1.5 percent and the year before 4.2 percent. Next year the slump will come to a halt, the ministry estimates.

Business is good. It is estimated that retail and wholesale sales will increase by 4 percent this year and by roughly the same figure next year. Restaurants and hotels are in the same kind of euphoria of growth.

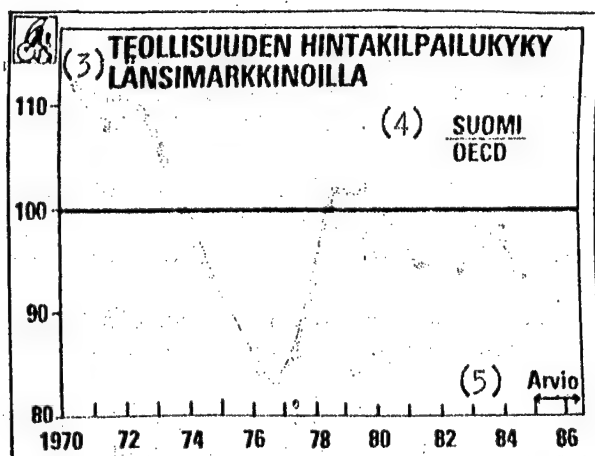
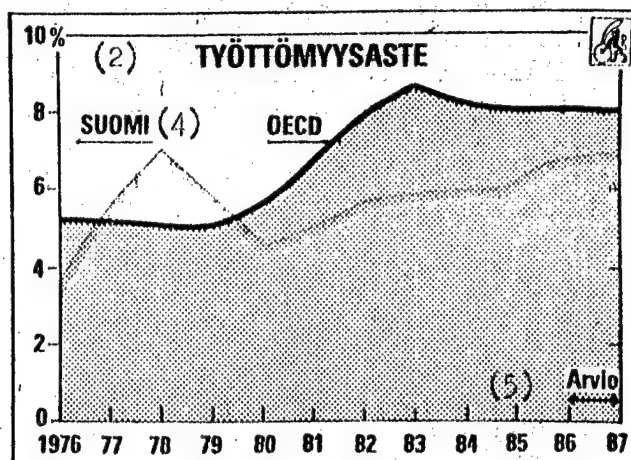
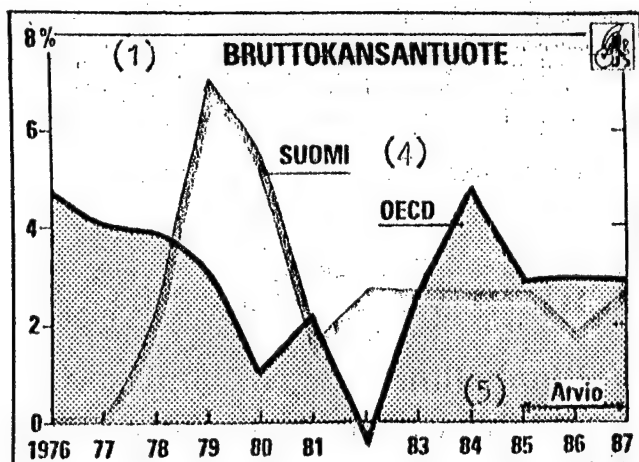
Growth in the bank and insurance sectors will continue to be the most aggressive of all. It will increase by 5 percent this year and 4.5 percent next year.

Businesses and banks are doing well because people have money. Real income available to households, that is, the net income remaining after taxes and allowance for inflation, will increase 3 percent this year and 5 percent next year. The 10-year average will be 2.6 percent.

Individual consumption will rise 3.5 percent this year and next year. A figure as high as this has not been recorded in years.

Characteristic of consumption is the fact that it leads to indebtedness.

The rate of household savings has declined and the debt rate has risen. The household savings rate was still 7.5 percent in 1983. This year it will be no more than 6 percent. The current low rate of inflation will raise that somewhat, to 7 percent, according to the ministry estimate. The debt rate will, however, remain high. This year and next year households will be in debt to the extent of 74 percent of their available income. As recently as 1977, the debt rate was 40 percent.



Key:

1. GNP.
2. Unemployment rate.
3. Ability of industry to compete on Western markets.
4. Finland.
5. Estimate.

11,466

CSO: 3617/2

ECONOMIC

FRANCE

GROWTH SECTORS, OCCUPATIONS IN ECONOMY EXAMINED

Paris L'USINE NOUVELLE in French 4 Sep 86 pp 55-62

[Article by Jean Meilhaud]

[Text] After the steel industry came the automobile industry, and after the automobile industry came shipbuilding. The growing number of disasters in industry and the resulting massive loss of jobs are making most of the French pessimistic as to industry's ability to provide and maintain employment.

Their instinctive pessimism is borne out by the analyses by economists: from now until 1990, according to a recent study conducted by the Cadre Employment Association (APEC), the decline in industrial employment (for all wage earners) will continue at an average of 1.4 percent annually, even though the pace is slackening (-2.3 percent from 1979 to 1985). On the other hand, employment in the tertiary sector will continue to increase (up 0.4 percent). In other words, industry will eliminate an average of 68,000 jobs per year while the service sector is creating 50,000 new ones.

The conclusion is self-evident, is it not? When it comes to creating jobs, industry has faltered, so we must concentrate basically on the service sector. At least that is what we frequently hear. The argument seems well founded. But on closer analysis, one finds two factors which invalidate that argument.

Technological Revolution Creates Jobs

First of all, the decline in industrial employment is neither irreversible nor the general rule: examples from abroad are there to prove it. As long as the structure is sound, industry does create jobs despite the technological revolution and sometimes because of it. Second, a number of service activities are closely linked to industry. They cannot develop on their own without a strong industry. So it is dangerous to argue in terms of replacing industrial jobs with jobs in the service sector.

All of this shows clearly that a resigned or defeatist attitude toward industrial employment would be fraught with consequences, although it does not invalidate the pessimistic medium-term forecasts for France, where there is still excess manpower to be reabsorbed into the work force.

From 1970 to 1985, industrial employment declined in most of the industrial countries, either sharply (-20.5 percent in Great Britain and -12 percent in France) or slightly (-3.3 percent in the United States). But it rose in five countries: +0.3 percent in Austria, +2.2 percent in Switzerland, +3.3 percent in Norway, +4.3 percent in Finland, and +4.8 percent in Japan. The balance in the FRG became positive again in the first quarter of this year (over the 12-month period) after being negative for a long time. In Switzerland--the country of tourism, banking, and insurance--industrial employment is advancing more rapidly than employment in the service sector.

Those examples are numerous enough to challenge a number of accepted ideas, particularly as regards the impact of automation on employment. The extreme arguments--one saying that the phenomenon cannot fail to eliminate jobs and the other maintaining that the overall effect is favorable--are losing more and more support. As is emphasized in a study by the Bureau of Economic Information and Forecasts (BIPE), economists now feel that industrial employment is primarily a function of the level of production: technology plays a part only secondarily and by a process of complex mechanisms.

There are many arguments to support that view. First of all, productivity gains due to the current technological revolution are no higher than they were during the boom years. In fact, they are lower: 4.6 percent (as an annual average) from 1963 to 1973 and 3 percent since 1974. Production technology has therefore not caused a history-making break with the past. Past experience--and current experience in some countries--demonstrates that high gains in productivity and expanding employment are not mutually exclusive.

Furthermore, while new technologies may eliminate jobs in developed countries, they also create jobs (with equipment manufacturers), and they hold job levels steady (among users, who are in a better position to fend off competition from low-wage countries). All experts deplore the low level of industrial investment. But can anyone imagine investments that are not concerned with the most modern technology? There is no alternative to modernization.

Where does automation eliminate the most jobs? In big firms. Are we to conclude, then, that those big firms are no longer capable of creating jobs and that the PMI [small and medium-size industries] must step into the breach?

In France, where all the big companies are laying off workers, a lot of people will quickly answer yes. But here again, examples from abroad ought to make us more cautious. In the FRG, for instance, Siemens, the biggest employer in the country (and in Europe) has created 29,000 new jobs in 18 months. And Siemens is not the exception that proves the rule: Volkswagen and Daimler Benz recently hired several thousand new people. In the United States--where, it is true, most big companies are eliminating jobs--the two biggest employers have expanded their work force over the past year: General Motors is up from 748,000 wage earners to 811,000, and IBM is up from 394,900 to 405,500.

So a firm, if healthy or once restored to health, can create jobs in 1986 regardless of its size. The fact that reorganizing the industrial structures of the big companies in France is a long-term undertaking--and that it is a

necessity even for those that are making money--should therefore not lead us to assume that data which are only relative can be applied across the board.

Capable Men Needed To Keep Plants Running

Besides, is the picture in France really all that black? Yes, if we look only at the major sectors. But, says Jean Prevel, APEC's director general, "refining our analysis leads to a less rigid view of reality. If we look at the various subsectors, for example, we see that more than 40 of them are creating jobs, often in sizable proportions" (see the first table below).

When we consider the foreseeable growth by the year 2000 in the work force performing duties or engaged in trades in industry, we find a BIPE study which shows that in the long run, the number of companies whose work force is going to increase is larger than the number whose work force will shrink (see the second table below). But the counterpart to that--an important one--is that the latter constitute industry's big battalions. The rise in the level of skills required is impressive, however you look at it. This is the ground on which the future of industrial jobs will be determined. To keep plants running, we need men who can develop new products and competitive methods.

But the fact is that industry does not create jobs only in industry: it plays a prime role in the growth of employment in the tertiary sector. Prof Claude Vimont of the Institute for Political Studies made this clear--specifically, in *POLITIQUE INDUSTRIELLE* No 4, Summer 1986--when he compared growth in industrial employment to growth in service-sector employment from 1970 to 1985. Whether one looks at the situation by country, by period, or by both, the result is clear: when industry creates some jobs, the services create many jobs, and when industry eliminates jobs, the services keep on creating them, although at a considerably slower rate.

There are many reasons for that correlation. New technologies and new methods of organization lead to the growth of service-sector activities both upstream and downstream from manufacturing, especially in the field of engineering. The crisis being experienced by that sector as a result of the slowdown in overall activity and particularly the drop in the number of big international contracts tends to conceal this phenomenon. The BIPE feels, however, that the ratio between investment studies and actual investments, which was 1 to 7 until 1980, is moving downward: it is now close to 1 to 6 and should drop to 1 to 5.

Another significant development, even though it does not affect a considerable number of jobs, is the growth of recruitment consulting--a development that coincides with the rise in unemployment. The paradox is only apparent. In difficult times, a mistake in hiring is fraught with consequences, and people, being leery of the risks involved in making a change, are hard to convince. That is why employers have increasingly been turning the job over to professionals. That professionalism, an achievement of the crisis, is a fact of life today. But the end of the crisis will probably not bring a return to the previous situation; on the contrary, it will probably have a wholesome effect on the profession.

1979-1985: 43 Branches of Industry Created Jobs

	Work force	
	Increase 1979-1985	1985
Food industry:		
Poultry slaughtering	138%	13,781
Livestock slaughtering	65	20,945
Industrial fabrication of bread and fresh baked goods	40	14,224
Dietetic foods, baby food, and diet foods	37	1,760
Preparation of ready-to-eat meals	33	7,520
Oils, refined fats, and margarine	32	4,993
Cider	15	1,290
Miscellaneous food products	13	5,946
Ice cream, ices, and sherbets	6	7,979
Distillation of natural brandy	5	4,753
Starches	4	4,522
Alimentary paste and couscous	1	4,251
Mechanical, electrical and electronic engineering:		
Equipment for the automation of industrial processes	39	10,558
Data processing equipment	29	52,869
Control and regulating apparatus, measuring instruments and apparatus	18	35,162
Professional electronic and radioelectric equipment	11	83,255
Equipment for steelmaking, foundry, dressing of materials, and fixed railway equipment	10	8,922
Medical-surgical equipment and prosthetic devices	10	23,099
Sound and picture recording and reproducing equipment and recording media	7	10,140
General engineering, molds, and patterns	4	107,446
Low-voltage control distribution equipment	2	18,693
Low-voltage industrial relay and signaling equipment apparatus	2	29,836
Chemicals:		
Plastics	47	15,577
Pharmaceutical base products	14	13,273
Perfumes	12	31,104
Patent medicines	9	66,724
Plastic packaging	6	22,957
Synthetic rubber and other elastomers	5	2,752
Miscellaneous parts for industry	2	33,302
Aerospace engineering:		
Specific equipment	49	24,006
Space missiles and launchers	15	17,494
Propulsion units	14	24,469
Cell construction	3	53,415

[Table continued on following page.]

[Table continued from preceding page.]

Energy:		
Urban heating and distribution of miscellaneous fuels	32%	3,371
Treatment and distribution of water	2	23,993
Nonferrous metals:		
Ferroalloy metallurgy	44	4,842
Metallurgy of lead, zinc, and cadmium	9	4,146
Textiles:		
Wadding	45	3,118
Spinning of flax and hemp	29	5,332
Wood:		
Fabrication of structural timber and building joinery	2	20,513
Corrugated cardboard and products of corrugated cardboard	1	11,757
Construction and public works:		
Production of materials of crushed rock and cinders	32	4,809
Preparation and delivery of ready-mixed concrete	12	6,459
Automotive:		
Industrial retreading and repairing of tires	11	3,227
Shipbuilding:		
Pleasure boats	39	7,451

Source: APEC.

From 1979 to 1985, industrial employment rose in 43 branches of industry, and in 14 of them, it rose by over 30 percent, the record being set by poultry slaughtering (+138 percent).

The food industry, whose overall work force declined slightly during the period in question (-4 percent), heads the list as far as the number of branches showing an increase is concerned. There were 12 such branches, and half of those saw their work force increase by over 30 percent. The food industry is ahead of mechanical engineering, electrical and electronic engineering, and chemicals. The other sectors are far behind. But aerospace remains a sure thing. In the automotive industry, which was a great provider of jobs during the boom years, only the (small) branch concerned with the industrial retreading and repairing of tires is experiencing an increase in its work force.

Priority Goes to Skills
(Quantitative change in employment by the year 2000)
Change

Engineers and technical staff:

Data processing	+ + +
Studies, research, and tests	+ + +
Sales engineers	+ +
Production and operations	+
Maintenance, purchasing, and planning	+
Transportation and logistics	+

Engineers and technical staff will be the main beneficiaries of technological change. Computer experts and researchers will benefit more than people in production and maintenance. But no specialized group will see a decline or even stagnation in the size of its work force.

Technicians:

Electrical and electronic technicians	+ + +
Engineering technicians	+ +
Construction and public works	+ +
Chemicals	+ +
Data processing	+ +
Methods and planning	+
Designers and design draftsmen	- -

Technicians can also approach the future without apprehension. It should be noted, however, that while electronic, computer, electrical, and engineering technicians will benefit from computerization and automation, designers and draftsmen will be the victims of those changes.

Foremen and supervisors:

Production and construction	+
Energy	+
Warehousing and handling	+

There will be a moderate rise in the number of foremen and supervisors. More skills will be required of them, especially in the areas of technology (they will have to be familiar with automation) and production management.

Unskilled Workers:

Construction and public works	- +
Engineering	-
Electricity	-
Chemicals	-
Food industry	-
Textiles and clothing	-
Woodworking	-
Mining	-
Handling and packaging	-

[Table continued on following page.]

[Table continued from preceding page.]

Unskilled workers are the victims of technological change. Construction and public works are in a somewhat special situation, since unskilled jobs are less threatened by automation in that sector than elsewhere, but they are more dependent on economic conditions.

Skilled workers:

Professional maintenance mechanics and electricians	++
Skilled inspectors and testers in engineering and electricity	++
Skilled assembly workers	+
Skilled mechanics and fitters not otherwise specified	+
Skilled laboratory workers	+
Heavy crane operators	+
Skilled production workers (mining, energy, chemicals, and food industry)	- +
Skilled production workers (textiles and clothing and wood)	- +
Skilled workers (civil engineering and concrete work)	- +
Warehousemen and industrial truck drivers	-
Setup men	-
Skilled production workers (electrical and electronics)	-
Skilled engineering workers (removing and forming metals)	- -
Skilled workers (welding, heat treating, and surface treating)	- -

The picture is uneven as far as skilled workers are concerned: favorable for those in maintenance, inspection, and testing and unfavorable for those whose skills can be automated. In the case of workers, skill is not a sure-fire guarantee.

Source of all the above: BIPE.

Groups Combining Industrial and Tertiary Activities

Even reductions in the work force have contributed to the growth of expert consulting services: there are consultants on restructuring, reconversions, and outside placement. "I have never put so many outside consultants to work as I have since I was forced to eliminate jobs," says one personnel director. But as Francis Vidal, who is one of those consultants, points out, "our profession makes no sense unless it is the instrument for a renewal of the industrial fabric. Closing down plants and eliminating jobs cannot be ends in themselves."

The boundary between industrial jobs and tertiary jobs is often blurred. And official statistics keep the confusion alive. Computer personnel and hourly cleanup crews in an industrial firm are classified as industrial employees, but if they work for a consulting firm or a janitorial service, they are tertiary workers, even though their employer's clients and customers are industrial.

But the firms are tending more and more to subcontract work not directly related to their principal activity. According to the BIPE, services performed by the firms themselves declined between 1974 and 1982 (-3.6 percent), whereas services provided from outside increased (+4.8 percent). And while those are the most recent figures available, every indication is that the trend is growing stronger. This is what economists call "the externalization of services."

It is a sign of the times that contractors are making a niche for themselves thanks to that transfer of functions. An example is Eric Sarrat, the head of GT Leasing, who takes charge of road transportation for industrialists and even hires their drivers, whom he adds to his own payroll. He explains: "For my customers, the advantages are obvious: a smaller work force and no more expenditure to manage specialized employees from whom it is difficult to produce income in a human and social context that is not adapted to them. And I frequently offer to alter the drivers' contracts, but because of my organization and bonus system, it often happens that their earnings increase." Eric Sarrat has negotiated such deals with firms such as Gervais Danone, Yoplait, and the French Scrap Iron Company. He employs more than 400 wage earners, 350 of whom are drivers.

While industrial firms are refocusing on production, there are also strategic reorientations at the group level aimed at setting up vast organizations in which industrial and tertiary activities are combined. The United States set the example, and France is beginning to imitate that example, as can be seen in the big shakeup going on in communications.

True, it is primarily the industrial firms that are seeking to diversify into services. But they also expect that approach to have favorable fallout as far as their original activities are concerned. And this is not a one-way movement, as is proven by the example of Casino, which provides a good illustration at the most concrete level of the "cross-fertilization" that can result from industry and services. That distribution group in St Etienne had long been engaged in small-scale industrial activity, which it expanded in the 1970's by building two slaughterhouses. "That move resulted from our concern to gain better control over quality," says personnel manager Armand Mella. The competitiveness of distribution and that of production are closely linked.

The phenomenon is repeating itself today. Noting what marketing people call a "shift in eating habits"--meaning, in plain language, that the French are eating at home less and less and going out to restaurants more and more--Casino obtained a foothold in the restaurant business by getting involved in cafeterias and fast food restaurants (the "Quick" chain) and then moved up the ladder by opening "theme restaurants"--notably its "Hippopotamus" restaurants.

Hence the search for industrial solutions adapted to those new formulas. And that led Casino, using an avant-garde technique, to develop its slow-cooking method for producing fresh, ready-to-eat meals.

Casino: "From the Pitchfork to the Table Fork"

Today, Casino markets 40 percent of its food production outside the group. It has adopted an overall strategy that ignores artificial distinctions between activities. It is a strategy that one of the active partners, Antoine Guichard, sums up in a colorful way: "From the pitchfork to the table fork!" And within the group, industrial employment (nearly 2,000 employees) is increasing despite substantial gains in productivity and the unfavorable business conditions affecting some markets (table wines and the delicatessen trade),

The synergy noted between industry and services is having its effect on the job market and on executive careers. For instance, the services are tending increasingly to recruit engineers, partly because they have industrial clients whose language they must be able to speak, but also because they appreciate the rigor of scientific training.

The insurance industry long provided a natural career opportunity for lawyers. Today, however, a company like the GAN recruits more computer personnel and engineers than it does lawyers. Moreover, people are moving more and more frequently from services (consulting and banking in particular) to industry and in the other direction as well: what we are seeing is a breakdown in the compartmentalization of the labor market.

It is significant to observe that the market experiencing the strongest growth (computer personnel) is also the market where employers representing every sector of the economy confront each other: manufacturers (that is, the industrial sector), users (industrial and service firms), and consulting firms (services).

If industrial employment plays a prime role in overall employment, how can its generation be promoted? To tell the truth, many provisions aimed at stimulating employment do not and cannot make a distinction between industry and services--those concerned with the establishment of firms or the reconversions brought on by restructuring, for example. "It is not possible to hold preconceived ideas in this area," remarks Christiane Terrier, the driving force behind Spirale, which is a consulting firm that specializes in such operations. "When converting a business, one is torn between two feelings: one is pessimism, because in the search for solutions, many people are terribly lacking in imagination, but the other is optimism, because if you take the trouble, you almost always wind up discovering opportunities that you had not thought of before."

Facilitating Transfer of Firms

Despite everything, certain measures are suited more particularly to the promotion of industrial employment. Some fall within the province of the

state: they are concerned with training and investment, of course, but also with everything that can facilitate the transfer of firms, because that problem arises primarily in the case of industry. Other measures fall within the sphere of private enterprise.

The firms specializing in reconversions have realized this. "We have put together aid packages that are well adapted to the needs of industrialists," says Paul Dumontier, deputy chairman of SOFREA, which is a specialized company owned by the Elf-Aquitaine group. "For example, we give them the benefit of our know-how in the technical area by opening up our research centers to them, facilitating their access to our purchasing departments and to distribution through our service stations, and offering them partnership deals for exports. And in the area of logistics by helping them to deal with a certain number of problems."

At a time when aid to the firms is being challenged, those are observations that deserve to be a part of the debate.

11798

CSO: 3519/248b

ECONOMIC

GREECE

UNFAVORABLE TREND IN GREEK-SOVIET ECONOMIC RELATIONS

Athens PONDIKI in Greek 26 Sep 86 pp 6, 7

[Text] The situation which prevailed in Greek-Soviet relations was strange until the Papoulias-Shevardnadze meeting yesterday in New York. But if you count the 7-hour difference between Athens and New York, you will understand why PONDIKI was unable to know the results of the meeting today, although it was close to the man closest to the Soviet foreign minister.

The situation in Greek-Soviet relations is strange because while everything seems to be "hunky-dorry" in the political field, there is a certain coolness in economic matters since nothing was settled during the latest visit of the Greek delegation to Moscow.

On the one hand we have praise and applause heaped on Greece by the USSR on questions of peace--on Monday PRAVDA carried an article applauding the Greek-Bulgarian declaration which certainly had Moscow's approval since it is within the context of detente, and even referred to Ankara's worry over the recent "tilt" of Soviet policy according to PRAVDA in favor of Athens.

On the other side, however, we have economic relations--and the economic ministers do not hesitate to express on every occasion their dissatisfaction with the trend taken in certain matters. What matters?

On the question of alumina, the hang up is due, according to the Greeks, to the unclear attitude of the Soviets with regard to purchase of 200,000 tons of this product. After the Bulgarians backed away from buying this quantity, as was initially agreed, Moscow said it would buy it. But according to the Greeks, the Soviets failed to state this in writing. Moreover, they want to pay for the 200,000 tons with Soviet products they themselves want to choose, whether we like them or not.

But the Soviets also appear with long faces, complaining that it is the Greek government which is going back on its word at the last moment, giving in to pressures from the West. They also claim that some of those who deal with the alumina plant do not want to see it constructed because they prefer the Pesinet plant.

It is not known whether these rumors are valid but it is certain there are some Greek ministers who wonder whether Soviet technology is sufficiently advanced; they are determined to avoid a further step unless assured of the sale of the plant's entire output, which means 600,000 tons.

The confusion is getting worse because the Bulgarians have come back into the picture. When Papandreou was in Sofia and exchanged oaths of eternal love with Zhivkov, he was asked to send Katsifaras as soon as possible to again discuss the sale of those 200,000 tons of alumina...!

The Greeks are also chagrined because our exports to the Soviet Union go from bad to worse.

--Last year's plan for 170 million rubles in exports reached only 135.

--This year they will be reduced by 40 percent--down from 135 million--even with regard to farm products such as tobacco, etc.

The Soviets say the fall in the price of oil, together with the fall in the value of the dollar, and with Chernobyl on top of it all, created for them a bad situation and left them with no extra cash--as though we have some--for bigger imports. On top of that they want the trade balance to be calculated with no reference to the oil we import. (Now, Ambassador Victor Sukhalin will have to explain to us why oil is no longer a "product". Could it be because it is liquid...?)

There is more to the Greek blues. Our people say the Soviets did not pay the first installment--2 million dollars--for the social insurance of the political refugees. They paid the second installment but (until now) have not paid the third! So, there is some unrest about the pensions...

Finally, our people say the Soviets are no longer eager to have us build the hotels they promised, while on our part we do not want their gas because we do not have the infrastructure and are afraid of dependence.

The upshot of all this is that the state of Greek-Soviet relations is strange, to say the least. Let's see what will be the outcome of the Papoulias-Schevarnatze meeting which is expected to cover all issues. No doubt there are also Western pressures since there are those who do not particularly want us to have too much to do with the Kremlin.

Of course, the gray picture is completed with the constant postponement of Gorbachev's visit to Athens. To have this visit, the summit meeting with Reagan must be finalized first. As long as this is not done, it is becoming increasingly difficult for the Soviet leader to visit the West. It is said that such visits this year are rather unlikely. So, we cannot expect Mikhail this year, although surprises are always possible--and he has given us many surprises so far...

7520

CSO: 3521/17

ECONOMIC

GREECE

INCREASED IMPORTS AFFECT BALANCE OF TRADE DEFICIT

Athens I KATHIMERINI in Greek 2 Oct 86 P 9

/Text/ The balance of trade got worse in July, mainly because of a large increase in imports. Specifically, imports in July reached 871.4 million dollars, compared to 559.4 for the same month last year, an increase of 55.8%. This sharp increase is due of course to a large degree to the devaluation of the dollar compared to other currencies (the dollar against the mark, the yen etc. has been devalued last year by 35%), but also surely reflects the increase in the size of imports.

Thus, despite the restrictive measures (prepayment) and the devaluation of the drachma, the imports insist on increasing, making it difficult for the government to achieve its aim in restricting the balance of payments. However, for the entire 7 month period from January to July, imports have reached 5,892.4 million dollars, compared to 5,318 last year for the same period, an increase of 14.7%.

There was also a significant increase in exports in July, but it was not enough to cover the increase in imports. Specifically, exports came to 608.2 million dollars, compared to 370.3 last year in July, an increase of 64.2%.

As a result of these developments, the balance of trade deficit increased from 189.9 million dollars last year in July to 263.2 this year, an increase of 39.2%.

For the entire 7 month period, exports reached 3,101.1 million dollars, compared to 2,604.4 last year for the same period, an increase of 19.9%.

Qualified specialists support that if the devaluation of the dollar is compensated for, both imports and exports have decreased this year.

Besides, according to the announcement of the Statistical Service, the value in drachmae of exports from January to July 1986 came to 439,625.1 million drachmae, compared to 349,811.4 million drachmae for the same period last year, an increase of 25.7%.

9346

CSO: 3521/11

ECONOMIC

GREECE

VALUE ADDED TAX TO AFFECT COST OF LIVING

Athens TO VIMA in Greek 5 Oct 86 p.1

[Excerpt] The value added tax [FPA] will increase the cost of living by 3 to 4 percent. The tax, which will replace a series of other indirect taxes (such as the turnover tax and stamp tax), will be composed of three items under present conditions. One is up to 5 percent, the second from 16 to 18 percent, and the third from 30 to 35 percent. The latter will apply to luxury items.

According to a Bank of Greece confidential report, the 3- to 4-percent increase in the cost of living could have been lower if certain steps were taken:

--If the procedure for calculating the tax to be imposed on inventories on the basis of existing taxes (FKE and stamp tax) were initiated.

These products are already burdened with indirect taxes and there is no method to accurately calculate the old taxes which are already incorporated.

--If Greece were not required (as the other countries, EEC members, applying to pay to the Community Budget a sum equal to 1.4 percent of revenues from the FPA, i.e., more than it pays now on the basis of the Gross National Product.

--If the law did not contain certain unclear clauses which, together with the tendency of business to avoid passing any tax savings on to the consumer, will burden (difficult to tell how much) possibly even one percent of the cost of living index. (The tax savings will result from the fact that in practice certain products will be taxed less than they are today.)

7520

CSO: 3521/15

ECONOMIC

GREECE

IMPROVEMENT SEEN IN AUGUST CURRENT ACCOUNTS BALANCE

Athens I KATHIMERINI in Greek 10 Oct 86 p 9

[Text] As a result of low oil prices, the August balance of current accounts showed a surplus of 91 billion dollars. After July, August was the second month with a surplus and this favorable development brought to a lower level the total deficit which for the whole 8-month period from January to June was limited to 1,207 million dollars compared to 2,000 million during the corresponding 1985 period.

It is noted that the government target for the whole year is a deficit of 1,700 million dollars compared to 3,288 million in 1985. These latest developments led the authorities to believe that the final deficit will reach 1,800-1,850 million dollars. The EOK Commission also believes the deficit will be somewhat higher than the predetermined target.

In an announcement the National Economy Ministry stated that the August result is not satisfactory, but that strict compliance with the stabilization program is necessary.

The data the Bank of Greece released yesterday show that the balance's appropriations during the January-August 8-month period of the last 3 years developed as follows:

	1984	1985	1986
	(Million Dollars)		
Imports	6,536	6,805	6,562
Exports	<u>3,003</u>	<u>2,805</u>	<u>2,847</u>
Trade Balance	3,533	4,000	3,715
Invisible resources	3,462	3,378	4,140
Invisible payments	<u>1,297</u>	<u>1,378</u>	<u>1,532</u>
Invisible balance	2,165	2,000	2,608
Current Accounts Balance	-1,368	-2,000	-1,207
Capital Movement (Net)	1,841	2,122	1,608

The above data show that the problem of imports remains critical, while total improvement is mainly due to the drop in oil prices and the increase in income from EEC. More analytically:

1. Excluding fuels, imports during the 1986 January-August 8-month period were 5,410 million dollars compared to 4,712 and 4,539 million dollars during the corresponding 1985 and 1984 periods. They increased, that is, by 14.8 percent compared to 3.8 percent last year. This means the effect of devaluation of down payments was limited.

2. Excluding fuels, 1986 exports reached 2,493 million dollars compared to 2,235 and 2,421 during the corresponding 8-month period in 1985 and 1984. Therefore, there was some increase.

It is evident that assessments for both imports and exports will change if a correction is made to the dollar devaluation effect. The resulting conclusion will then be that recently there is a trend to decrease imports but that exports are not doing so well.

3. The most impressive data in invisible resources is the increase in the tourist exchange (from 933 last year to 1,177 million dollars this year) by 26.2 percent and the income from EEC by 67.7 percent (from 530 in 1985 to 889 million dollars this year).

4. The inflow of private capital improved somewhat. It reached 674 million dollars compared to 607 million last year. However, this is due to private deposits in foreign exchange.

5. Finally, foreign exchange reserves reached 2,172 million dollars compared to 1,324 million last year.

Commenting on these developments the National Economy Ministry said: "For the second month in succession, the August current accounts balance showed a plausible surplus which reached 91 million dollars. As the above table shows, the total surplus during the July-August period reached 266 million dollars and was the biggest in the last 12 years. This result is considered satisfactory. Strict compliance with the stabilization program, however, remains necessary at all times."

A technical paper issued by the Bank of Greece points out that the comparison with August 1985 is confused with both imports and total accounts balance because of the delay in recording a large sum for trade credit settlements in August 1985.

If this special factor is not taken into account, August 1986 imports without fuels, compared to those of 1985, show a 10 percent increase in current dollars. This corresponds to a limit of imports in stable dollars or ECU.

7520

CSO: 3521/18

ECONOMIC

SPAIN

WEAKENING OF INTERNATIONAL COMPETITIVENESS REPORTED

Barcelona LA VANGUARDIA in Spanish 28 Aug 86 p 32

[Article by Primo Gonzalez]

[Text] After improving in the spring, Spain sustained the worst loss in competitive capability in July on account of the depreciation of the peseta and inflation differentials that were not as pronounced, with respect to the rest of the Western world, as those of the past few months.

Madrid--The Spanish competitive position in international markets has experienced a deterioration of 7.3 percent during the first 6 months of the year as a result of the higher inflation of the Spanish economy vis-a-vis the rest of the world, and the stability--and even the revaluation--of the exchange rate of the peseta.

Throughout 1985, the loss of Spanish competitiveness abroad, as measured by these two indicators of the differences in inflation and exchange rate, had been under 5 percent. In the first half of this year, the competitive position has deteriorated at a faster rate than in all of last year inasmuch as Spanish inflation has rekindled in comparison with that of other countries, and the exchange rate of the peseta remains rather high.

It Is Not Solely the Dollar

This loss of international competitiveness is caused in large measure by the drop of the dollar, but the decrease in the value of the U.S. currency has not been the only reason.

The position in relation to the group of countries of the EEC, who account for most of our commercial exchange and, in fact, more than 60 percent of Spanish exports, has also deteriorated in the first semester of this year and to a greater degree than in 1985. As a matter of fact, trade between Spain and the EEC has produced a deficit this year after several years of surplus.

Unchecked Inflation

The loss of competitiveness vis-a-vis the EEC was 3.5 percent in the first 6 months of the year. In the first half of the year, Spain has had an inflation that is five points higher than that of the countries of the community, taking into account the different quantitative importance of each one of them, and the significance of their trade relations with Spain.

This increased inflation has been corrected only partially by means of the exchange rate, inasmuch as the peseta has been revaluated against some currencies of the [European] Common Market, such as the deutsche mark.

Easy Access to the Spanish Market

Practically all industrialized countries have improved their competitive capability in relation to Spain, which gives them easier access to the Spanish market and makes Spanish exports to their respective countries costlier. Aside from the dollar situation, which has improved its competitiveness against the peseta in the first half of the year by almost 10 percent in real terms (that is to say, also taking into account the inflation of both the Spanish and U.S. economies), the Spanish competitive position has dropped almost 7 percent with respect to Great Britain, 5 percent with respect to France, and almost 2 percent with respect to the FRG.

Difficult Situation in Europe

Owing to the spectacular strength and increase in the value of the yen, Japan is the only instance among the major industrialized countries where an improvement of the Spanish competitive position has taken place, namely, 4 percent in the first 6 months of 1986. The low rate of inflation of Japan--less than 1 percent annually by the end of last June--has been offset by a rather steep rise in the yen, subjected to international pressures to inflate in order to reduce the trade surplus.

This loss of competitive capability of the peseta against the basket of currencies of the EEC places the Spanish economy in a weak position to attempt to improve the balance of trade with the countries of the community area.

During last year, Spain improved its competitive capability in relation to the [European] Common Market by more than 7 percent, inasmuch as the depreciation of the peseta amply offset the four points difference in inflation we had with the group of countries of the community in 1985. This year, however, the positions have vastly changed as a result of an inflationary surge in Spain that has widened the gap with the EEC, which has benefited from a movement of improved control of inflation, and a strength in the Spanish exchange rate with regard to the rest of the community economies that has made it impossible to date to correct this Spanish competitive deterioration against the EEC.

The inflationary upsurge of July seems to have worsened the situation even more while the exchange rate of the peseta is not expected to trend somewhat downwards until the end of the current tourist season, which produces considerable revenues in foreign exchange that yield a surplus for the foreign

sector of the Spanish economy, and helps to strengthen the position of the peseta in the exchange markets.

INFLATION & EXCHANGE RATE VERSUS THE EEC

Date	Measure inflation differential	Real exchange rate
December 1984		
December 1985	4.30	94.35 ¹
January 1986	3.36	96.83
February 1986	0.52	97.28
March 1986	0.33	97.69
April 1986	-0.23	97.50
May 1986	0.24	97.54
June 1986	0.96	97.87
December 1985		
December 1986 [sic]	5.18	-3.52 ²

1 December 1985.

2 Loss of competitiveness

ABROAD

(First 5 months of 1986)

Currency	Percentage of change in Spanish competitive position
U.S. dollar	-9.55
Japanese yen	4.07
Swiss franc	-1.09
British pound	-6.82
West German mark	-1.98
Belgian franc	-1.78
Dutch guilder	-1.35
French franc	-4.95
Italian lira	-0.37

8414/9312

CSO: 3548/2

ECONOMIC

TURKEY

EASEMENT OF CURBS ON MERCHANT SHIP IMPORTS, EXPORTS URGED

Istanbul DUNYA in Turkish 27 Aug 86 p 4

[Editorial: "Lifting of Restrictions on Ship Imports, Easements in Ship Exports"]

[Text] The importance of the contribution of commercial ships to a country's foreign exchange earnings is well known. Commercial ships must be increased in number and tonnage to perpetuate and to enhance this contribution.

There are two ways to increase the tonnage of the merchant fleet:

1. Constructing the ships we need domestically;
2. Having the ships built abroad or buying already built ships.

Obviously, it would be ideal to be able to have the ships built in domestic shipyards. However, it is now understood that since the need for commercial ships cannot be met with Turkish-built ships in a short time and since the importation ships may secure major advantages to the country's economy, the purchase of already built ships must be encouraged or at least not be curtailed.

The domestic shipbuilding industry must continue to be encouraged, and incentives in this area must be increased. However, while doing that restrictions on imports must be lifted or at least reduced.

Currently, the "Guidelines on the Encouragement and Steering of Investments and Foreign Currency Earning Services of the Council of Ministers Decree with Regard to the Implementation, Coordination and Oversight of the 1986 Program"--which was attached to Council of Ministers Decree No. 85/10011 of 27 October 1985--identifies the ships whose importation is not encouraged as follows:

- a) Vessels under 5,000 gross tons or 7,500 displacement weight tons [dwt] except those for private use;
- b) Custom-made special-purpose vessels of under 499 gwt (fishing factory ships, ships fitted with cooling and refrigeration equipment, ships for transporting chemicals, etc);

c) Dry-goods and custom-made special-purpose ships which are more than 9 years old and tankers which are more than 5 years old.

In the government program for 1985 tonnage limits of 7,500 gross tons and 10,000 dwt were set for ships described in paragraph (a) and age limits of 13 years and 9 years were set, respectively, for dry-goods and custom-made special-purpose ships and tankers.

The restrictions described above must be lifted, or reduced to a minimum, to make ship imports easier and to increase the tonnage of our merchant fleet. While well-intentioned, these restrictions curtail prospects for purchasing ships at very low and favorable prices. It is evident that since the age and tonnage of ships are limited by commercial considerations, additional legislative limitations are unnecessary and inappropriate.

Moreover, Article 20 of the said guidelines attached to the ministerial decree states: "Capital goods imported duty-exempt under the incentives program cannot be transferred or sold to another party for 10 years without the permission of the State Planning Organization [SPO]. Those who violate this rule will have to pay the customs duty, together with the legal fees and accrued interest."

In our opinion, this provision may prevent an imported ship from being junked in less than 10 years. If necessary, other measures can be taken for that purpose.

In sum, tonnage and age limitations imposed on imported ships make imports difficult and prevent the purchase of ships in good condition with favorable terms, and therefore, lifting them would be in the interests of the country.

Meanwhile, tonnage and age restrictions also exist with regard to ships which may be 90 percent financed with foreign loans within the framework of incentive measures currently in force. Outstanding loans on such ships must be repaid with the foreign exchange the ships earn from freight charges. However, last year's regulations on this issue stated:

"No tonnage or age limitations are applicable to ships which are 90 percent financed with foreign loans and whose cost is to be repaid in the foreign currency to be earned from freight charges."

This provision was later altered, and as stated above, tonnage and age restrictions were imposed to this type of imports. It is still not clear how compatible this implementation is with the interests of the country.

In our opinion, restrictions of this type must be lifted and the provision of "no tonnage or age limitations" mentioned above must be reinstated.

Another factor that is making the importation of ships difficult is the requirement that importers of ships, machinery and equipment taking advantage of customs duty exemptions must pay 5 percent of the CIF value of their goods to the Fund for Encouraging Exports. It is evident that the lifting of this

requirement for ships would have a positive effect in terms of encouraging and easing ship imports. It would also be advantageous to extend to all ships the 100 percent investment tax deduction currently applied to only roll-on roll-off ferries, train ferries and full container ships.

Meanwhile, easements must also be brought to ship exports. Article 20 states: "The SPO may permit the exportation or domestic resale of ships and capital machinery and equipment purchased within the framework of the incentive measures of 1986." This provision must be clarified and malfunctions in implementation must not be permitted. In particular, the conditions under which the SPO will permit such transactions must be clearly spelled out.

9588

CS0: 3554/10

ECONOMIC

TURKEY

FREE TRADE ZONES SET FOR BUSINESS

London MEED in English 13-19 Sep 86 pp 36-37

[Article by Jim Bodgener]

[Text]

THE signing by the US' Bechtel Corporation of an agreement to set up a free trade zone at Yumurtalik, in Adana province, has advanced Ankara's ambitious plans to attract massive foreign investment in trade and industry. The government of Prime Minister Turgut Ozal plans to create four free trade zones to serve as beacons for foreign investment; two of them — at Mersin and Antalya — will start up in 1987.

Bechtel, the US' biggest construction company, has been working on the Yumurtalik scheme almost from the start, through a contract for feasibility studies. The late-August decision to sign the protocol for its construction represents an important vote of confidence in the free trade zone programme and the government's economic policies in general.

Bechtel has also endorsed the government's innovative build-operate-transfer (BOT) system of funding large-scale projects. The company will organise a special undertaking to finance, build and operate the free trade zone for a limited period before handing it over to the authorities. As with Bechtel's more advanced discussions about a thermal power project at Tekirdag, the US company — with its partners — will recoup costs and make profits from the proceeds of running the Yumurtalik zone.

The introduction of the BOT method — and the plans to set up free trade zones — carries the government's liberalisation of the economy to its furthest point since the transition from a closed, command regime started in 1980 under Ozal's direction. Private enterprise struggled to survive the bureaucratic and protectionist environment

that preceded the economic reforms that began in January 1980; for example, exporters were stigmatised as "smugglers."

The authorities describe the free trade zones to foreign investors as an easy means — shorn of red-tape and tariffs — of exploiting Turkey's strategic regional location, its relatively high degree of industrialisation, its productive, docile and cheap labour, and the export-led economic recovery that has taken place since 1980.

Criticism

With an eye to the 1988 general elections, the government is pushing ahead with all possible speed to ensure that the zones start up quickly. The main opposition Social Democratic Populist Party (SHP) has already criticised the authorities for expensive foreign borrowing, and for neglecting investment in domestic industry in favour of the export sector.

"By the time we reach the year 2000, these zones will be places where millions of tons of goods are produced, and where tens of thousands of people are employed," says Yalcin Alaybeyoglu, who heads the State Planning Organisation's (SPO's) free zone department. "They will have become centres of commerce, finance and industry, and ... will serve as pioneers in technological development in a great many subjects."

The authorities' free market plans are coming to fruition at a time when governments throughout the Middle East — under pressure from the oil glut — are seeking to encourage private investors and funds to take over the state's role in infrastructure construction and industrial development.

Free trade zones: how they'll work

THE Turkish government plans to attract foreign investment by building four free trade zones at strategic locations around the coast. The zones at Antalya and Mersin are approaching completion and the much larger and more ambitious zones at Yumurtalik and Nemrut are being negotiated on a BOT basis with foreign contractors.

The government has compiled a list of incentives and has introduced sweeping exemptions from the tariff and investment restrictions that have deterred foreign capital in the past. During construction, investors are allowed to import from abroad any material required — to a reasonable level — free of local taxes, duties or tolls. Any local materials used will be regarded as exports, and will benefit from tax and other incentives.

When production gets under way, tax exemptions and export promotion incentives will continue. Profits from operations in the zones will not be subject to corporation or income tax. Dividends and profits may be ploughed back into the venture, invested in the other free trade zones or elsewhere in Turkey, or they may be freely transferred outside the country. These terms also apply to proceeds of the sale or liquidation of capital.

Workers employed in the zones will not be subject to local income tax. During the investment stage, local currency can be used to pay for rents, salaries and services and goods. Salaries must comply with official minimum wage rates. Unions and collective bargaining will be permitted in the zones, but there is a 10-year ban on strikes and lock-outs from the date the zone starts up.

Most investment applications from foreign capitalists will be welcomed, but two basic criteria will be applied in vetting proposals:

- ☐ they must not adversely affect Turkey's export policies in general
- ☐ they should increase investment in the zone, increase employment, and only use a reasonable amount of materials from abroad, maximising the use of locally available resources.

All the sites for the zones have been chosen for their proximity to pools of labour, good communications and abundant agricultural production in their immediate vicinity. Nemrut, near Izmir in the Aegean region, is located in an area of already fairly intensive industrialisation. It will aim to attract high-technology industries such as electronics, chemicals and pharmaceuticals. A similarly high-tech role is envisaged for Antalya, but

one which concentrates on lighter industries. The US' Martin Marietta International, for example, plans to build an electronics and optics plant to produce goods mainly for export.

The Mersin and Yumurtalik zones have been located with a regional outlook in mind. Mersin is already an important port for transit trade to Iraq and Iran. The plans for Yumurtalik include construction of the deepest water port in Turkey. Trade with the two Gulf war combatants has decreased markedly in 1986, with the slump in their oil revenues. But the free-zone planners are looking to the future and an expected boom in reconstruction work when the war ends, and international crude markets stabilise.

Local business people in Mersin expect their zone to become a centre of engineering, consulting and contracting activity. Other enterprises planned at Mersin include activities such as packaging, repackaging and warehousing; wholesaling; banking, insurance, brokerage and rental services, and engineering and consultancy work. Manufacturing will be biased towards electronics, optics, food and ready-to-wear textiles.

Yumurtalik will serve as a distribution centre for the eastern Mediterranean and Iraq and Iran. It will deal with heavy and bulk goods, and agricultural produce. Chemical and refining operations may also be set up as the zone is close to the terminal that serves the Iraqi oil export pipelines.

The nature of industries to be set up at Yumurtalik and Nemrut will probably be determined by the type of companies that take equity in the BOT undertaking. Each BOT zone will run on the output of nearby thermal power plants, themselves the subject of BOT negotiations with foreign contractors.

Operating companies for the Mersin and Antalya zones have already been established. Local government authorities have taken a substantial stake in them. They are the Operating Corporation for Mersin Free Trade Zone (MESBAS) and the Operating Corporation for the Antalya Free Trade Zone (ASBAS). The government has funded the infrastructure construction work at both sites.

Of the 500 firms that applied to operate in the Mersin and Antalya zones, licences were awarded to 299 of them, including 31 foreign companies. Mersin will take 208 of the applicants, and Antalya the remainder. The combined investment in both zones is expected to total \$143 million.

Five other countries in the region — Bahrain, Egypt, Jordan, Lebanon and Syria — are also in the process of setting up free trade zones.

The SPO is discussing a BOT protocol for the development of a fourth free trade zone at Nemrut, near Izmir. The Yumurtalik and Nemrut zones are larger and more ambitious than those at Antalya and Mersin, which have not been set up on the BOT principle. The cost of installing infrastructure at Yumurtalik and Nemrut is estimated at about \$150 million and \$50 million, respectively. Feasibility studies for the Nemrut scheme have been carried out by Ireland's Shannon Free Airport Development Company.

Bechtel believes Turkey's best chance of rapid industrialisation lies in emulating countries such as South Korea, Taiwan, Hongkong and Singapore, which have all followed export-oriented policies, including the establishment of free trade zones. By concentrating the infrastructure needed for industrial development in these zones, costs are lowered and other logistical hurdles minimised. Perhaps more important, Bechtel believes the zones will provide a proving ground for new policies and incentives that could spread throughout the economy.

The late-August protocol calls for Bechtel to take the lead in setting up the Yumurtalik free zone. In the next three or four months, the company will develop a financing plan, draw up preliminary designs and engineering schedules, and — perhaps most important of all — get commitments from poten-

tial tenants of the zone. The company is also choosing equity partners to form an operating company and assist in developing the zone.

Finance is being arranged by Bechtel's in-house merchant bank, Bechtel Financing Services. The unit's reputation for sound judgment has already won over enough international banks to oversubscribe the first term commercial project loan — a \$120 million syndication in support of a \$480 million highway contract — to be signed since the crisis of international banking confidence in Turkey at the end of the 1970s.

The unit's successful lobbying of The Export-Import Bank of the US (Eximbank) for a \$400 million preliminary commitment to the Tekirdag financing package has set an important precedent for US contractors. Eximbank in the past has insisted on sovereign repayment guarantees from recipient countries. In general, the government will not guarantee construction and development borrowing by the ostensibly private sector BOT companies.

Besides the Tekirdag power plant and the Yumurtalik free trade zone, a conservative estimate of the BOT business being sought by US companies in Turkey — mainly for other power projects — is more than \$2,000 million. Even though Eximbank made no direct loans to Turkey in 1985, it was the largest regional client, with an exposure totalling \$754 million at the end of the bank's fiscal year on 30 September 1985.

/9274

CSO: 3500/1

MILITARY

GREECE

DEFENSE MINISTER ON CONTROVERSY IN ARMED FORCES

Athens I KATHIMERINI in Greek 2 Oct 86 p 1

/Text/ The minister of National Defense, Mr I. Kharalambopoulos, confirmed yesterday that different views were provided by the chief of GEETHA /National Defense General Staff/, Air Force General Mr N. Kouris, and the Chief of Staff of the Army, Lt. General Mr Ep. Pentheroudakis, concerning whether or not operation "Parmenion - Filippou" would materialize, but insisted categorically that there was no controversy.

Specifically, Mr Kharalambopoulos said: "The chiefs of the three branches can have certain views that they should express freely. Controversy, however, is one thing and another view in a constructive discussion is another. In any case, the final decision is made by the political leadership".

Mr Kharalambopoulos also said: "I was present during the discussion and I assure you there is nothing to be concerned about. I listened to the views and finally, I personally decided that the operation must materialize, since the government may have to cope with special cases, such as the earthquakes in Kalamata".

According to Mr Kharalambopoulos, the fact that Mr Pentheroudakis did not come to the scheduled meeting at the General Staff of the Army for the purchase of helicopters, but sent a representative, has nothing to do with the meeting that took place two hours later regarding operation "Parmenion - Filippou".

In answer to the question how an experienced officer possibly can propose scrapping the operation so that the money for it can be made available to the earthquake victims of Kalamata, when it is known that the expenses for the operation are covered by other funds, the transfer of which for other purposes is not permissible, Mr Kharalambopoulos simply repeated strongly that there was no controversy, but merely another view had been stated.

Finally, Mr Kharalambopoulos said that he intends to give Parliament a complete answer to the questions of the ND Deputies, regarding the speech of the Chief of the GEETHA, Mr Kouris, during the operation "Parmenion - Filippou", when he approved of US and NATO policy regarding the Aegean.

Finally, in regard to operation "Parmenion - Philippos", Mr Kharalambopoulos noted that it proved that "the mobilization system worked in a flawless manner". Mr Kharalambopoulos further stated that the percentage of reserve forces that reported for duty was 90%, while in some cases it reached 94%.

9346

CSO: 3521/11

MILITARY

GREECE

MILITARY OFFICERS' RESIGNATION REJECTED

Athens I KATHIMERINI in Greek 10 Oct 86 pp 1, 3

[Text] Vice Premier and Minister of National Defense I. Kharalambopoulos, speaking for the government in effect affirmed yesterday's report in KATHIMERINI concerning the letters of resignation submitted by over 250 officers because of the new bill on "Ranks and Promotions." At the same time the government spokesman tried to put the blame for the unrest on the military leadership.

Kharalambopoulos explained that no letters of resignation were submitted and they will not be accepted--evidently because these officers are indispensable. Nevertheless, other "Defense Ministry sources" tried to blacken the reputation of the officers by attaching selfish motives to their reaction.

In a statement the major opposition party severely criticized the government for its "partisan policy in the Armed Forces which under current conditions constitutes a national crime."

The New Democracy

More specifically the ND statement read as follows: "A report appeared in the press stating that more than 250 Air Force officers submitted their resignations because of unfavorable clauses in the new bill on Ranks and Promotions. According to our information unrest exists in other branches of the Armed Forces as well.

"Evidently the Ministry of National Defense does grasp the destructive impact of this new upheaval on morale, discipline, and fighting readiness of our Armed Forces. The government must recognize its very heavy responsibility and put an end to the...[word ineligible] Armed Forces. Under current conditions this policy especially constitutes a national crime."

And. Kourtis, Too

Speaking on the KATHIMERINI report, government spokesman And. Kourtis stated: "There is no such bill. There is only a preliminary draft which does not obligate the government and which includes proposals from the General Staff Officers' Council [SAGE] in order to take them into consideration in the preparation of the final bill."

I. Kharambopoulos

Speaking on the same subject of promotions by unlimited selection, Kharambopoulos said: "It is true that several requests for retirement have been submitted by several categories of officers--especially non-commissioned ones. They are unrelated to the bill on Ranks which is now under consideration. These resignations were not accepted and will not be accepted."

Defense Ministry sources yesterday tried to minimize the political significance of mass resignations in the Air Force, saying that "the reason for this action is that these officers and non-coms have already secured a satisfactory pension and evidently want to get a job in the technical services of Olympic Airways and elsewhere after their release."

Well-informed circles said these arguments were not unfounded since the bill under consideration will apply only to officers at the rank of Army colonel and higher and corresponding ranks in the Navy and Air Force. Therefore, officers below the rank of colonel and non-coms may be trying to get out for the reasons cited by the Defense Ministry sources.

In any event, the promotion by absolute choice is an innovation which is bound to cause strong opposition, as it happened in 1952 when it was applied to the promotion of Sophoclis Tzanetis. The Tzanetis case and one or two others are the only instances of an attempt to introduce a promotion system which differed from the one traditionally used in Greece.

When asked about this matter last March Defense Minister And. Drosogiannis said, "the system of promotion by absolute choice has many advantages but it promotes favoritism." Another promotion system which is being considered is that of "current rank" which is used in major countries such as the USA and Britain.

Drosogiannis observed that "nothing much would change with the proposed system." The question being asked by military observers is why the Defense Ministry leadership rushes into settling an issue which, although not a pressing problem, is bound to cause much unrest in the Armed Forces.

7520

CSO: 3521/17

MILITARY

GREECE

ND INTERPELLATION OF PYRKAL TRANSACTIONS

Athens I KATHIMERINI in Greek 7 Oct 86 p 2

[Text] The socialized Pyrkal Company stands to lose the exorbitant sum of 7 billion drachmas from just one contract with Iraq. What is most surprising is that the contract was signed knowing about the loss the company was to suffer. This places the managerial abilities of Pyrkal's administration into the realm of absurdity.

ND Deputy I. Paleokrassas returns with a new question in the Chamber of Deputies, accusing the company that from a manufacturing company it has been turned into an international merchant of weapons and munitions.

"Pyrkal", he points out, "in order to execute an order for 580,000 shells of 105 mm on behalf of Iraq, which it is unable to produce, has been turned into an international merchant of weapons, placing orders abroad for almost all of the materiel. The cost per unit for the various parts by far exceeds the price paid by Iraq to Pyrkal. This results in a loss of over 52 million dollars or over 7 billion drachmas. It is not known who pockets this sum."

Paleokrassas further states that the scandal goes beyond all limits, in the case of a Pyrkal order for 75,000 multi-purpose fuses with the prospect of ordering another 35,000--not from the Hamilton manufacturing company but to some middleman known as W. Lillios. What is more outrageous is that these fuses were accepted from the manufacturer without the necessary specifications and without the necessary tests in the presence of Pyrkal representatives.

In spite of all this, Paleokrassas goes on, "the order was executed and we paid 78 dollars for each...which could have been produced by Pyrkal for much less. It is estimated that at least 600 million drachmas went to the middleman."

Paleokrassas urges the responsible ministers to inform him why they gave the order to a middleman, and to submit to the Chamber of Deputies the contract with the middleman.

7520
CSO: 3521/18

MILITARY

GREECE

STEYER AGREEMENT ON VEHICLE MANUFACTURE

Athens I KATHIMERINI in Greek 9 Oct 86 p 10

[Text] On October 1, Steyer/Ellas signed an agreement on offset benefits with the German company Demler Benz (Mercedes) from the production of 4,500 automobiles for the Army General Staff. Deputy Minister of Industry Vaso Papandreou explained yesterday that the order totals 14 billion drachmas.

According to the agreement Demler Benz is committed to buy from Greek companies products or services whose value will be equal to 80 percent of the price of the materials imported for production of the vehicles. "It is clear," Papandreou said, "that the agreement provides Greek companies with the opportunity of participating in offset benefits, to produce and export products which will be competitive in the world market."

In greater detail, the offsetting, according to the agreement signed by Steyer/Ellas, covers orders for defense materiel produced by Steyer and other Greek companies; orders for vehicle materials under construction, which Steyer or other companies can produce; orders to Greek companies for metallic products, machines and mechanical equipment, office machines, electrical apparatus, electronic products, etc.; cotton and cotton products, tobacco, cement, bauxite, aluminum, marble, etc.; and sea transport, insurance, ship building, etc., by Greek companies.

7520

CSO: 3521/18

MILITARY

GREECE

DASSAULT CONDITIONS ON MIRAGE AIRCRAFT

Athens I KATHIMERINI in Greek 11 Oct 86 p 1

[Text] The French Dassault Company wants to get an order for 20 more Mirage 2000 aircraft "because the Greek government will select the company which has applied more consistently the offset benefits agreement," as company spokesman Yue Robins stated yesterday.

During a press conference organized on the occasion of the Defendory War Industries Fair in Piraeus, in which the Dassault Company was a participant, Robins stated that 2 of the 40 Mirage 2000 ordered by the Greek Air Force are undergoing preliminary tests at the Dassault test flight center.

Speaking on Dassault's policy of offset benefits, Robins said that "instead of providing offset benefits, the company aims at making Greece a true partner."

More specifically, it was explained that on the basis of the agreement signed in June between the Greek Aircraft Industry [EAB] and three French companies participating in the production of the Mirage 2000, EAB will participate in producing sections of the fuselage and will assemble sections of the motor and the aircraft's radar system.

On the basis of another agreement between EAB and the Greek Arms Industry with the French company MATRA, the two Greek companies will participate in the production of sections of the Magic 2 missiles which will be carried by the aircraft.

7520
CSO: 3521/18

MILITARY

SWEDEN

AIR FORCE JOURNAL VIEWS GOALS, MISSIONS, PLANS OF 1990'S

Introductory Comment

Stockholm FLYGVAPENNYTT in Swedish No 3, 1986 pp 6-8

[Article: "The Air Force's New Concept of Function"]

[Text] Our Air Force is generally recognized as one of the best in Europe. We have well-trained personnel, high-quality materiel and we maintain a high level of emergency preparedness. The Air Force is of major significance for the credibility of the Swedish security policy, which is aimed at maintaining the country's independence.

But we live in a time of rapid change, in which several factors affect the effectiveness of the Air Force. A strong push for air forces with greater quality as well as quantity is taking place in the surrounding world. New weapon systems are being acquired—such as long-range fighter aircraft, cruise missiles, precision-guided and area weapons. This change poses altered demands on our capabilities.

At the same time, the numerical strength of our air forces has declined, so the margins are very narrow in terms of numbers. Furthermore, in the last few years we have lost valuable personnel in several professional fields.

At present the Air Force is undergoing extensive development in the areas of aircraft, basing and Stril [Tactical and Air Defense Control System]. Conceptually, they can be condensed into Aircraft 90, Base 90 and Stril 90. This will pose new demands on our organization effectively to utilize the new systems. Their Swedish image from the aspect of technology must be continued in our training with and application of these systems.

In order to meet these developments in the surrounding world and in our own, forceful contributions are needed in all areas of our activity. These must be aimed both inward and outward in the Air Force. They must affect quality and quantity as well as the preconditions of the individual, and contribute to a positive development of the Air Force.

In our externally oriented activity we will continue to:

- Work to get sufficient appropriations in order to accomplish our tasks. This is one of the preconditions for being able to develop the quality of the Air Force and maintain--preferably increase--our numerical strength.
- Work to achieve better employment benefits and social conditions for our personnel.
- Inform the general public about the role and capability of the Air Force in our security policy.

But it is not sufficient merely to have this external activity. It takes time to implement. We must still anticipate having tight economic frameworks in the future as well. Our lack of personnel will be a nuisance in the next few years, although the state is rapidly meeting the demands for better employment benefits and social conditions.

In developing the use of our systems we must therefore work intensely primarily with ourselves. In the coming period we must give priority to basic training and direct special training in order to build up our supply of personnel. Large portions of our resources will be needed for this. At the same time we must maintain a high level of emergency preparedness.

We must protect the human being in the Air Force, increase our professionalism and even better than today make room for the wealth of ideas and initiative which Air Force personnel possess. In that way we can partially compensate for the shortcomings we have in organization and numerical strength.

We are to accomplish this through increased delegation of responsibility and authority. By so doing we also create greater opportunities for personal development and happiness at work. Each person should feel satisfaction in the knowledge of having done a good job. A job to be proud of, to live happily with.

In order to accomplish this, no other people or technology are needed than the one(s) we have or are developing. What we need is to regard people with partly new eyes. Then we will be able better to utilize the inherent strength and creative capability in each one.

The guiding star for all activity in the Air Force is to create units ready for war, with a high level of emergency preparedness and deployment capability even with peacetime resources. It is important that all of us in our activity have this goal in mind, whether we work in training, materiel development or other fields of operation. Clear priority for activity aimed toward this goal is a precondition for the effective functioning of the Air Force. It means, above all, that we must clearly specify duties and partial goals. Part of the picture is also that we must give our colleagues considerable freedom to choose the means for solving the tasks and reach the goals.

At the same time, all leaders are obviously responsible for checking that the goals are reached and for providing the resources and instructions needed to correct shortcomings. In order to do this well, we must improve our methods for measuring results.

Image 90

A summary of the Air Force's Image 90 concept can be accomplished with the following words:

- The principal tasks of the Air Force in peacetime are to create a first-rate military organization with a high level of preparedness and in various ways to maintain the incident preparedness as ordered.
- That the individual requires understanding of the meaning of the tasks and of the requirements imposed by crisis and war. We must therefore have good knowledge of the threat and our own opportunities for acting.
- Management by objectives, decentralization, delegation and follow-up of results are essential concepts for implementation in the leadership of our operations. Decisions should primarily be taken where issues and problems occur, because it is there that the best overview can be had over preconditions and consequences.
- Aggressive leadership is to be sought. The care for the personnel in various respects should at least correspond to the one devoted to materiel and installations.
- Bureaucracy and administration must be reduced to a distinctly smaller part of our work than today! In wartime we must be able to improvise and act in accordance with common sense. Then we must also train for this in our peacetime activity.
- The contributions of work must directly or indirectly have a clear bearing on emergency preparedness and training and other military connections. Our daily activity should as far as possible be marked by our preparedness and wartime duties.

Under the aegis of Image 90, the individual will acquire greater freedom of action. This is important for the reasons indicated above. But the Air Force cannot consist of a number of individualists. Our activity rests on team work. All professional groups must cooperate with a view toward the joint goals: high emergency preparedness and deployment capabilities and a first-rate wartime organization. Good cooperation requires mutual respect, openness, helpfulness and freedom from prestige!

The changes we face might perhaps seem demanding and difficult, to some extent. But the positive part will dominate! Image 90 is a development in the Air Force which is necessary. However, in a certain way it is also logical, in view of our tradition. The Air Force has never stood still during

its 60 years. All along the development has been dynamic. We now continue on that path. And in tune with the times.

New Flight Systems

Stockholm FLYGVAPENNYTT in Swedish No 3 1986, pp 9-13

[Article by Col Goran Tode: "The Human Being in Aircraft 90"]

[Text] The aircraft system of the 1990's will provide the pilot with greater opportunities for action than with today's system. But the environment will pose considerably greater demands on his knowledge, talents and physical constitution than today. What, then, is changing?

The Threat Picture

The major powers are investing heavily in offensive aircraft systems, in the West as well as in the East. The development is particularly pronounced within the Warsaw Pact, for example.

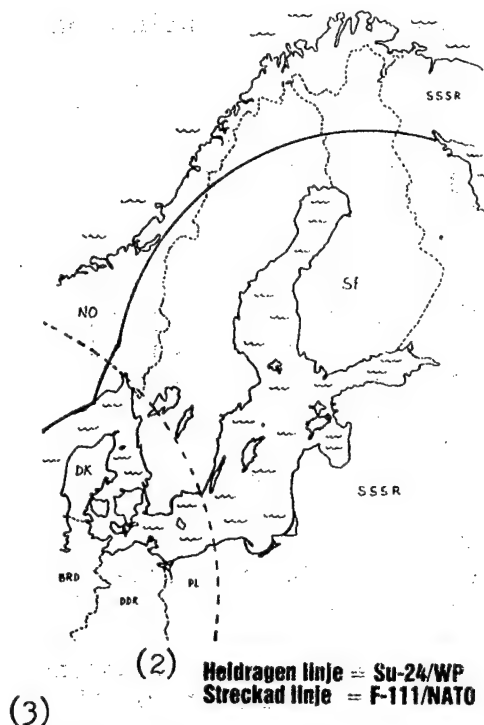
- The Su-24 Fencer attack aircraft, which has a considerably longer radius of action and load capacity than previous attack aircraft and thus the opportunity for more flexible offensive behavior.
- The heavy MiG-31 Foxhound and Su-27 Flanker fighter aircraft are the equivalent of the F-14 Tomcat and F-15 Eagle of the Western powers--and have "look-down-shoot-down" capability.
- The "light" (about 14 tons) MiG-24 Fulcrum fighter aircraft, which is in the same class as the F-16 Fighting Falcon and F-18 Hornet of the Western powers.

On the Western side, the preliminary studies for future generations of aircraft have been initiated, such as the U. S. ATF (Advanced Tactical Fighter), the European EFA project (jointly by Great Britain, the FRG, Italy and Spain) and the French ATC (Avion de Combat Tactique), which in its present experimental version is called "Rafale A."

On the armament side, one is concentrating on air-to-air missiles with surface-covering capacity, precision-guided attack weapons and surface-covering weapons. The air defense is becoming increasingly powerful.

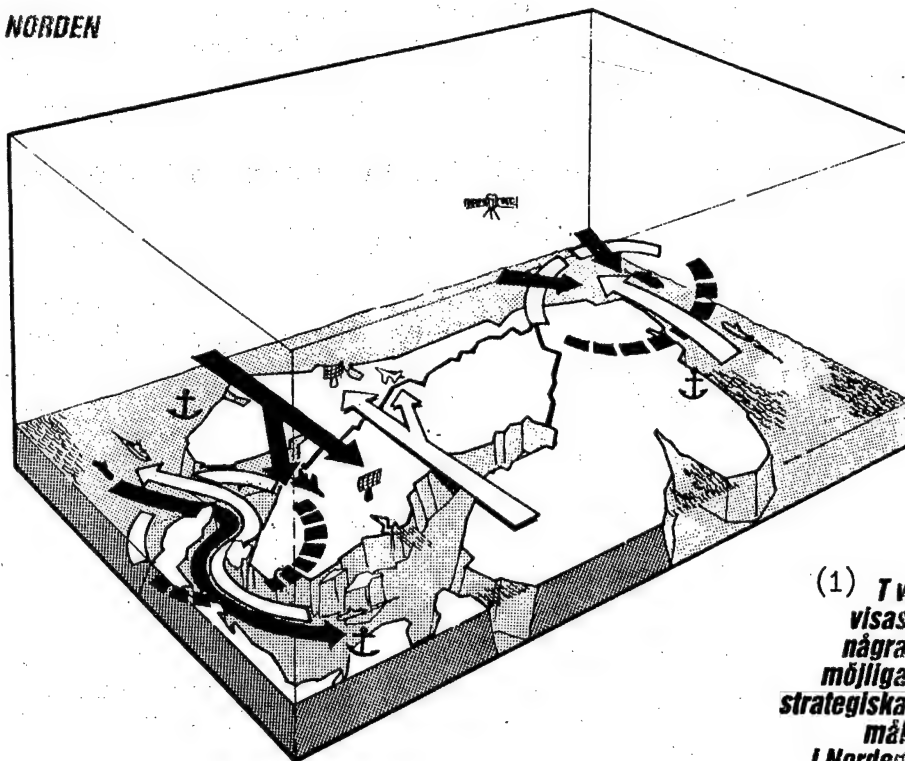
Countermeasures will be further developed. We can expect an increasingly difficult jamming environment for radar, radio and weapons.

On the command side, the development of airborne radar as well as command and information systems continues.



(3) Aktionsradierna (= t-o-r) för de två aktuella attackflygplanen är räknade med en s.k. LLH-profil (= Low-Low-High) och att de är försedda med vapenalternativ och fälltankar samt att de opererar från fredsbaseringar. Med lufttankning – som t.ex. vid Libyen-attacken i början av året – kan F-111 väsentligt utsträcka aktionsradien.

NORDEN



(1) Två visas några möjliga strategiska mål i Norden

Med Su-24 baserad på Kolahalvön täcks även de nordligaste delarna av Norden. På Kolahalvön finns 16 flygbaser! Bl.a.

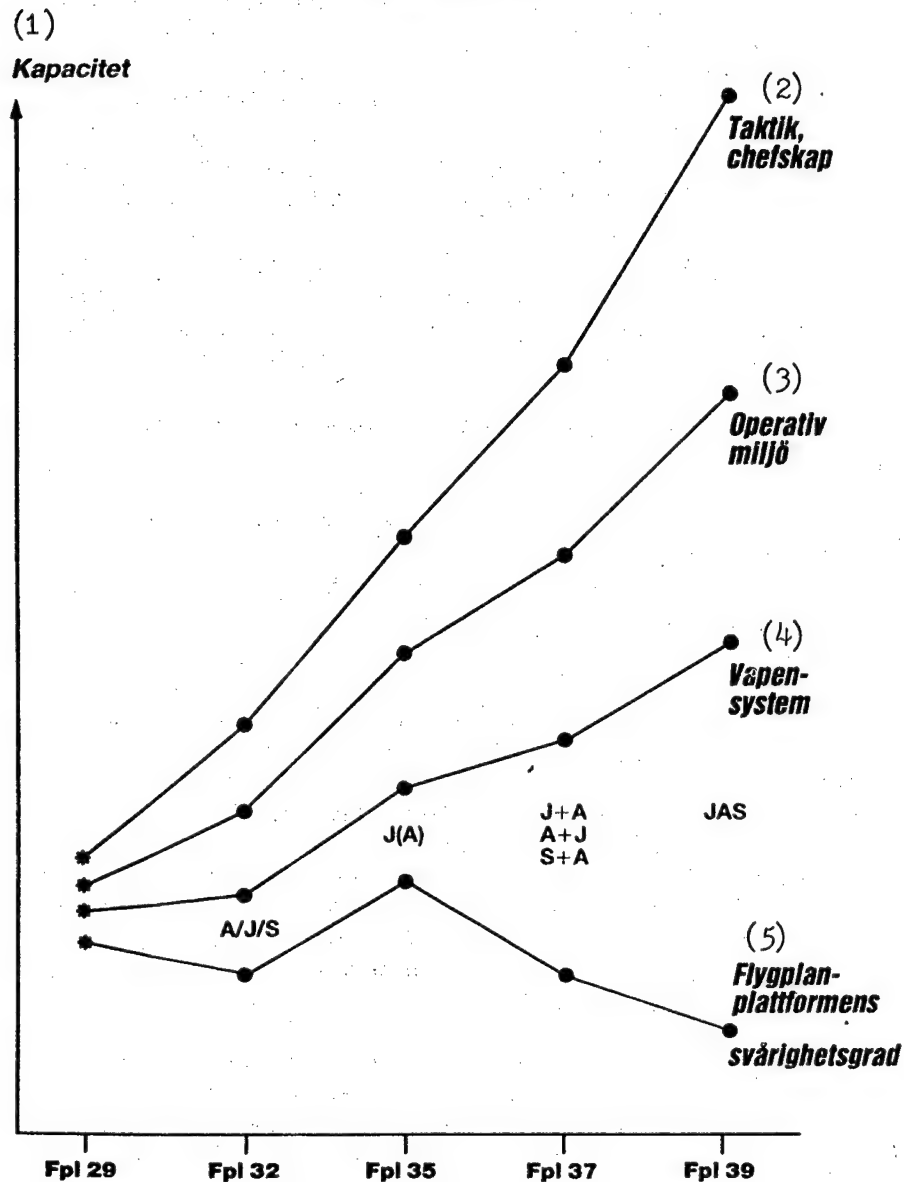
Key:

1. At left are shown some potential strategic targets in the Nordic region.
2. Solid line = Su-24/WP, Dotted line = F-111/NATO
3. The radii of action (= return trip) for the two attack aircraft in question have been calculated to include a so-called LLH profile (= Low-Low-High), as being supplied with choices of weapon and drop tanks, as well as operating from peacetime bases. With in-air-refuelling—such as in the Libya attack at the beginning of the year—the F-111 is capable of considerably extending its radius of action. With the Su-24 based on the Kola peninsula, even the northernmost portions of the Nordic region are covered. The Kola peninsula has 16 air bases! Among other things.

The Aircraft Systems

Thus, it is a demanding environment we are faced with. However, we ourselves make major contributions in order to live up to the demands for the 1990's through a continuing modernization of our existing aircraft models, as well as through the implementation of the JAS 39 project, etc.

Diagram 1:



- Key: 1. Capacity
 2. Tactics, leadership
 3. Operational environment
 4. Weapon system
 5. The aircraft platform's degree of difficulty.

But the threat picture and development of our aircraft systems will affect the demands on the pilot of the 1990's and consequently his training as well.

Look at Diagram 1! Here I have tried to describe the development of our aircraft systems from the J 29 on. On the vertical axis I placed "Pilot Capacity" and on the horizontal are some of the various fighter aircraft we have had and have. The diagram is only approximate, of course. But it

attempts to illustrate the relations between the various tasks of a pilot and what output the system can provide.

The bottom line marks the capacity required in order to fly the aircraft. After that follow lines indicating demands for weapon systems knowledge, knowledge of the operational and tactical environments and, at the top, tactical adaptation/problem solving and command in the air.

The J 29 was an effective, active-service aircraft for its time but relatively difficult to fly. During the greater part of its time as a fighter, the armament consisted of only 4 x 20 mm aerial cannon, that is to say it required a low level of systems knowledge. The aircraft was utilized in a pursuit curve against bombers and transport aircraft. Dogfighting was the patent solution against fighters. With this profile, the most skillful joystick jockey was the best pilot.

Gradually, both threat picture and aircraft materiel became more complicated. The 32-system was easier to fly, to be sure, but it included radar systems, passive countermeasures and more weapon types or camera systems. However, a greater part of the pilot's activity was devoted to the tactical environment and systems management.

The 35-system meant the debut of delta aircraft with entirely new and to some extent more difficult aerodynamics to be mastered. The 35 is a high-performance aircraft, which through continuing modifications is providing and will continue to provide good service for many years to come. The platform is difficult to fly in some situations, while systems and environmental knowledge pose greater demands on the pilot. The 35 system is utilized practically exclusively as a fighter, which limits the demand for tactical knowledge within other aircraft type functions. But as the threat environment becomes more difficult, increasingly greater demands will be made on the pilot's tactical ability and systems knowledge.

With the 37-system, "the dual role combat aircraft" has been introduced. Through its design with automatic pilot, automatic speed control, pilot-friendly presentation of flight data (on a heads up display, among other things,) the aircraft is easier to fly than the J 35, despite its greater versatility and improved performance characteristics. In addition to his principal duty of being either a fighter, attack or reconnaissance pilot, the pilot must also be able to master a secondary duty as combat or fighter pilot.

The Viggen system does not allow for an equally large capacity in the second role as in the principal role, however. It is therefore natural that the demands on the pilot are primarily concentrated to his principal duty. But the pilot has several weapon systems to manage, as well as radar and countermeasures, etc., plus that the tactical environment has become more difficult.

In the future the environment will become even tougher. The environment--as well as newly added systems in the aircraft--will gradually require more of the pilot as a systems operator and tactician.

In JAS 39 Gripen we will get the first really versatile fighter aircraft with full capacity in both the fighter, attack and reconnaissance fields. By means of the auxiliary systems which are built into the aircraft, it is anticipated that it will become even easier to fly than the Viggen system.

Taking off, flying and landing the Gripen aircraft will therefore be a relatively simple task. But, simultaneously, the demands on the pilot in the other areas will increase. He must be able to make full use, from the aspect of systems technology, of all fighter and attack weapons as well as reconnaissance equipment. He must be well versed in the operational and tactical environment, no matter what the role he is playing. The threat picture and the resources made available by the aircraft will require even more of his capability for problem-solving and tactical adaptation.

The technology we will get will--properly used--relieve the pilot of trivialities and provide him with well-adapted information regarding the tactical situation with a certain amount of analysis and suggestions for action. It gives the pilot considerably greater opportunities to use his own assets in a creative manner.

What Is Required of Tomorrow's Pilot?

The development of the pilot's role which I showed from J 29 and onward does not mean that the total task for the pilot will be simplified. Altogether, he will have a more difficult job to accomplish due to the more difficult threat picture and due to the demands for coping with three types of flight duties with the armament and reconnaissance equipment that is built in. The requirement for being a good pilot in classic close combat also has not disappeared, but he will have considerable help in keeping the airplane within its maneuverability limits. Better presentation of the tactical environment will also help him act in the correct manner.

The classic demands on a good pilot remain. But in comparison with the situation in the 1950's, an expansion in the pilot's role has taken place from maneuvering and shooting well to also being a good tactician and systems operator. He must also be very well acquainted with the various operational and tactical environments included in the various types of duties, that is to say have good ability to "read the play" (in order to use a sports term) and to improvise.

Hence, the pilot of the 1990's must be a highly qualified person with talent, courage, drive and imagination. We already have that type of pilot in the Air Force today. It is only a matter of keeping them and recruiting new pilots of the same caliber.

More Rapid Tactical Development!

We already have today a need for intensifying and accelerating the tactical development. That requirement will grow in the 1990's. Tactics will change—or should be changed—more rapidly than we can write, print and distribute them in the forms used up to now.

In order to cope with a rapid tactical development, we must to an increasing extent spread the activity to all divisions and provide greater freedom of action and responsibility for both division chiefs and individual pilots. Only in that manner can we benefit from the major fund of knowledge and wealth of ideas which our pilots possess.

However, and unfortunately, it must be added, it will become necessary to strike a balance between the freedom to apply various tactics and the requirement of being able to operate in various parts of the country without having to specially train pilots and radar fighter commanders for each individual case. If different tactical patterns are developed at the units, this might create confusion or make cooperation difficult when missions are to be undertaken jointly with other units. The tactics must be known to all units. This presents a difficulty. In the same manner we must also be able to reorganize the units rapidly. General security regulations will also limit freedom (the OSF [not further identified] is written in blood), but a continuing effort must be to minimize the number of restrictions.

More Effective Training!

Our flight training systems must be increasingly oriented toward tactical flight training. The bulk of theoretical knowledge regarding threat picture, weapons technology, combat environments and cooperation with other parts of the military will increase. At the same time we cannot expect longer working hours or many more flight hours than we presently have. This poses major demands on an effective and appropriate system of flight training.

Today we have excellent teaching personnel in the Air Force. We have good simulators, but they must be adapted to the tactical demands of the training. It is worse with the aids for theoretical training. Theoretical training takes place in the form of classroom teaching and independent studies of handbooks. Older pilots personally transfer their experience and knowledge to younger ones in connection with issuing orders and reviewing work.

The latter is an excellent and necessary procedure. The need for personal contact and personal interest in each pupil will never be able to be reduced but must rather increase through the complex environment in which the pilot must work.

But with the short supply of teaching personnel and because of the unfortunate rapid turnover of personnel, it is necessary to release the available teaching personnel for that which they are best at doing: personal contact and advice. This means that the theoretical resources must be improved. Here there are

major opportunities for more effective training, more adapted to the individual, with better follow-up of the pupil's progress through new technology, such as computer-supported training.

Unfortunately, computer-supported training seems to have acquired a poor reputation in Sweden. The situation resembles the one that prevailed after World War I regarding tanks: in 1917 the British at Cambrai deployed the first tank attack in world history. The battle was lost because of supply problems. But it showed up major opportunities for achieving mobility and fire power. The French and British saw primarily the negative experience and delayed the development of tanks. Germans and Russians did the opposite. The rest is history.

Our experience of computer-supported training in Sweden today originates from stone age-type equipment. This does not in any way correspond to what is possible to achieve and what is already successfully being used by for example the U. S. forces--US Navy and USAF, among others.

However, this is only a small part of the entire change which must be undertaken. A group is working at the Air Staff which, with the help of training experts from the units, has as its task to develop the future training system. This involves:

- Content and phase distribution of flight training.
- Materiel questions--such as choice of aircraft types for school training up to JA 37 and JAS 39, simulators, moment simulators, computer support, etc.
- Central or local training.
- Access to teaching personnel.
- Flight pedagogy.

The study will continue for several years. Certain partial choices must be tapped early on--such as the choice of training aircraft, opinions on a two-seater JAS 39 and system simulators. A fascinating development is under way in the area of training!

Train for Wartime Requirements!

War is uncertainty. The stakes are high, the rules of the play unknown and the effect of the stakes cannot be evaluated beforehand.

One thing is certain: The counteraction we will be subjected to will force us to act even with incomplete systems, that is to say, improvise and make decisions whose effect we cannot predict in all parts.

In addition to appropriate system training, it is therefore essential that we in the Air For create a capability and desire in each individual to take responsibility, make decisions and improvise. This is the hallmark of well-functioning personnel and it is what distinguishes commanders and pilots from bookkeepers.

In order to achieve this we must delegate responsibility not only in theory. We must provide personnel at all levels with chances to influence their work, learn to make decisions and take responsibility on their own.

That means a different way of looking at how the goals of the Air Force are to be attained. There is not just one best way to reach the goal. The multitude of ways increases our ability for improvisation and independent decision-making.

Meeting the goal does not only mean doing a number of tasks bureaucratically. The manner of solving the task is equally important. Training in decision-making and planning and directing an activity is just as essential as completion of the task itself!

In order to get personnel who really know how to handle uncertainties, this must be practiced in peacetime. It is not achieved through more regulations, but through increased delegation of both assignments and responsibility for decisions. Then it is up to commanders at various levels to actually check that the requirements are met.

A Working Environment for Efficiency and Development!

In order to achieve high efficiency and development we must create an environment in the Air Force such that we will be able better than today to utilize knowledge, ideas and initiative in our colleagues by providing them with increased authority within their areas. We should also increase the opportunities for personal development. This could be done for example by encouraging and supporting individual studies and through close cooperation between personnel at staffs and units.

This development cannot be accomplished merely from above. Everyone must cooperate. So don't expect that superiors and higher authorities will work out all difficulties for you! Start with your own area of responsibility! Influence your superiors and subordinates!

Naturally, there are external factors that create difficulties for us in realizing this. We must fight in order to affect them! Nevertheless, much can be done with the limits we already have to work within today. Let us have enough understanding to accept the things we cannot influence, but above all the courage to change the things we can change... and the ability to realize the difference. Let us also have the wisdom to apply democratic forms, while leaving the greatest possible freedom for the individual.

If we succeed in the development toward "Aircraft 90", we will get an Air Force in which people are effective and developing and in which they are happy. Such things generate a "Go and We" spirit! Then the work on Image 90 will have borne fruit, and thus we will have achieved an even better Air Force!

STRIL 90 Control System

Stockholm FLYGVAPENNYTT in Swedish No 3, 1986 pp 14-15

[Article by Lt Col Owe Eklund: "The Human Being in Stril 90"]

[Text] Stril 90 will result in extensive changes in the Stril system. Today's Stril system is characterized by a large number of Stril centers of varying technical design, various types of fixed radar stations for radar reconnaissance at low or high altitude, as well as an optical air surveillance system with or without computer support (OPUS). A major difference has existed between the sectors regarding the system solution. Endurance in the Stril system has been provided for by means of extensive planning for action on reserve levels.

These major differences between and within the sectors, materially as well as functionally, have posed major demands on the training organization. Both basic training and special training have been extensive for both tactical and technical personnel. The special nature of the materiel to some extent has reduced the chances for flexible utilization of personnel even in peacetime.

Our new Tactical and Air Defense Control System--Stril 90--was presented in issue 2/86 of FLYGVAPENNYTT. The materiel content of Stril 90 was dimensioned with a view to the future threat environment, to cooperating aircraft systems, to new technical solutions, as well as our planning preconditions.

A main concept has always been the acquisition of uniform materiel:

--A high-altitude radar system,	PS-860
--A low-altitude radar system,	PS-870
--An airborne radar system,	PS-890
--A central system,	Strilc 90

A new communications structure has enabled a reduction in the number of Stril units compared with today's system through improved endurance and flexibility in the communications networks.

At the centers, improved simulation functions have increased the preconditions for local training and game activity. It is thus an entirely new Stril environment which our personnel--career officers, recruits, civilians and volunteers--will gradually encounter.

The Human Being in Stril 90

How will the human being be affected by Stril 90? What changes can be expected as regards duties, requirements and work environment?

As was mentioned, our duties are largely fixed even in the future. The foremost task of the personnel in peacetime is to produce the various Stril units, which in wartime will be responsible for air reconnaissance and

tactical service. At the same time we are through incident preparedness to maintain a high level of vigilance in our vicinity as well as provide tactical guidance to our aircraft units.

The new Stril system is largely based on mobile components--our new radar systems. This circumstance has already posed new demands on the personnel. Radar unit personnel are meeting a new environment, in which the demands for active service capability has increased. The units consist to a greater extent than before of conscripted personnel. This poses greater demands on the permanently employed personnel. The skill as a commander and trainer becomes important alongside the professional role.

In service with units, major demands will be made for good leadership qualities and creativity in the commanders. Interfacing with other parts of the total defense becomes necessary even for the individual radar unit. Decisions must be decentralized and made where the problems occur. This requires education and practical training.

The technical service has changed character, to some extent, through new technology and more complicated systems. The professional skill, capability for initiative and knowledge of the personnel will continue to be prerequisites for good availability of the materiel.

Conditions at our Stril 90 centers will largely remain the same as those of today. Working as an air controller, target tracking leader or radar pursuit leader is rather similar at an old or new Stril center, as far as work assignments are concerned. The effort behind Strilc 90 has been to improve the working environment to the extent that information, presentation and handling at the station will be increasingly adapted to the human being. In other words, better interfacing between "people-machine."

Peacetime activity at the centers will become more varied in the future. The center is to be responsible for tactical basic and special training and command activity over a greater geographical region than before. This will provide greater opportunities for varying work assignments at the same place of service. Balancing resources, deciding priorities and choice of methods for solving assigned duties must rest heavily on the local organization. This poses major demands on the creativity and adaptability of the individual.

By having uniform materiel throughout the country, better preconditions are created for alternating service between centers. This will increase the chances for mustering a large number of personnel for exercises, heightened preparedness or in a wartime situation for a high-priority area.

Stril 90's peacetime and wartime organizations have not yet been clarified. Extensive changes will be required. The peacetime organization will be affected, since Stril will cease to exist in its present form. Certain tasks will be assumed by the Strilc 90 centers, and some will be transferred to one of the radar training companies. A number of centers, which in today's situation are manned by peacetime personnel, will be closed.

The organizational work is estimated to begin at the Air Staff this year. The units will be required to participate in this work.

In conclusion can be stated that greater demands will be made on tomorrow's Stril officers. Their operations will require a broader base of knowledge. The ability to make rapid decisions in potentially new situations may become decisive for optimal activity. Duties and obligations on a certain level must be followed by balanced resources and rights.

The Stril 60 system has attracted great international attention over the years. Personnel and materiel have made a good impression on a large number of foreigners visiting for study purposes.

Stril 60 has favorable preconditions for assuming this role. Through the addition of new materiel and future development work on new tactics with new techniques, the personnel will be given stimulating work assignments and continue to develop. Besides general personnel-administrative measures, this is a prerequisite for job satisfaction and involvement.

New Base System

Stockholm FLYGVAPENNYTT in Swedish No 3, 1986 pp 18-21

[Article by Lt Col Bert Darby: "The Human Being in Base 90; The Air Force's New Base System"]

[Text] The air forces are of major importance to our total defense. Their units must have a high level of emergency preparedness and be able to go into action in various parts of our country. Intelligence-gathering by means of aerial reconnaissance and surveillance of adjacent sea and land areas are essential tasks, particularly in the initial phase of a conflict. At that time the mobilization of our defense must also be protected, while the aggressor's initial assault must be countered. But the air forces must also have endurance and be able to deny the aggressor air supremacy even during a lengthy conflict.

In order for the airborne units to be able to solve these very important tasks, a well-functioning air base system is required. It must be built so that the base units can provide our airborne divisions with the required support regardless of what region within the borders of our country they are using to accomplish their missions. A large number of takeoff and landing strips must exist, and they must be distributed across the entire surface of the country. Elements of the base units must be strategically mobile in order to be able to disperse to various parts of the country.

Through tactical mobility and dispersal within their own air base region, improved protection is obtained against attacks with modern weapons, whereby good preconditions are created for necessary endurance. Air Base System 90 is now under expansion in order to meet these demands for a base system for the

remainder of this century, as well as to lay the groundwork for the requirements of coming JAS systems on the base systems of the future.

The Threat

One prerequisite for an attacker succeeding in an assault against our country is likely to be that he is able to weaken our air defense. One way to accomplish this is to attack our air bases at an early stage. The air bases will in all likelihood represent the first-strike target for an attacker.

The development of military technology has led to the fact that an attacker now has improved opportunities for both finding and charting our air bases and for knocking out our aircraft, our materiel and personnel and destroying our takeoff and landing strips.

An attacker is able to locate our bases by means such as reconnaissance satellites, advanced reconnaissance aircraft, signal reconnaissance or espionage. He is also likely to know the design and function of the base.

It must be judged early on that an attack can be used with good precision against several of our bases. In the attack, the dimensioning weapon types would probably include:

- Area cluster weapons with fragmentation components against personnel, aircraft and other materiel.
- Cratering multiple-warhead weapons for knocking out runways.
- Precision-guided weapons (such as attack missiles) for knocking out point targets.
- Dropping small mines with various types of release mechanisms for making more difficult and delaying operations within the base after an attack.

The threat from the air must be regarded as dimensioning for our protective measures. Other threats cannot be excluded, however. Attention must be paid to the ground threat, primarily in the form of sabotage units, especially in connection with our mobilization. The use of NBC warfare can also come into question.

The threat against our air bases is thus a major one. Our measures must be aimed toward obtaining the required protection and good endurance for our base units. Mobility and dispersal are key words for this. With the reconstruction for base system 90, we are in the process of getting a base system resistant to precisely the threat picture outlined above.

Air Base System 90

The transition to Base 90 can be divided into various phases or "areas of operation."

The base expansion is aimed at assuring that the required number of takeoffs and landings will be possible for operating the airborne units in various

parts of our country. The purpose is further to design each air base in such a manner that materiel and personnel can be dispersed and moved within the base area. Dispersal and mobility provide better protection and hence result in longer endurance. Beyond that, protection can be improved by means of fortification facilities. Our inheritance in the form of mountain hangars at certain bases will be preserved. New construction will be undertaken at certain other bases.

The expansion of our air bases is a very important component in the introduction of Base 90. It represents a cornerstone for the entire basic concept. The availability of takeoff and landing strips could be the dimensioning factor for how our airborne forces will solve their tasks. The number of strips must be so large that even after extensive attacks there will remain so many undamaged strips that our aircraft can land, be serviced and be deployed for new tasks.

Organizational and tactical development and materiel procurement are mutually dependent. In practically all areas of function the materiel must be adapted to mobile behavior. In certain areas the threat picture has changed, so that entirely new materiel and equipment must be developed, such as in the area of ammunition clearing. The base tactics must also be adapted so that the advantages of mobility and dispersal within a large base area can be used in the best possible way. The changes in the threat picture must be carefully noted. Among other things, much attention had to be devoted to the ground defense function in view of the altered ground threat against a large number of dispersed units within the base area.

The new base philosophy, development of base tactics and procurement of new materiel affect all functions within the operational areas of the units. For certain functions the preconditions for carrying out operations in a thorough manner are changing. This in turn poses demands on the development of the base unit organization and its adaptation to the new preconditions.

Basbat 85 is the name of the organization of the base battalions in the new basing system. The transition to this new organization takes place formally during the present year. The new organization is being established in order to meet the demands imposed by tactical development and new materiel, and against the background of the duties of the battalion and design/expansion of the air base where it was originally based. Each battalion is "custom-designed" in order to be able to solve its tasks in the best possible way in its "home environment." This way no battalion will be similar to any other. Common to all battalions is, however, that the organization will be allocated resources such that the new demands for various functions can be met in a satisfactory way. This is essential for several of the base battalion's "key functions."

- General command and coordination of battalion operations.
- Air and ground traffic control.
- Ground defense.
- Maintenance.

- Protection and ammunition clearing.
- Runway repairs and field work.
- Servicing and readying of aircraft.

An old saying is that "the most difficult job in the wartime organization is to be base battalion chief." That expression will be no less true in our new base system. Operations will be headed and coordinated within a larger base area. The units are mobile and operate in smaller units. Assigning priorities for activity within the base area is necessary. Coordination with the commander of the defense region (fobef) and adjacent Army units will be of major importance. In Basbat 85 the battalion commander's chances for effective leadership will be improved through the establishment of a qualified battalion staff. Base centers will be built with fully satisfactory protection and equipment, such as an extensive communications system for further improvement of the command capabilities.

The air traffic control will be faced with new problems. In addition to the main runway, there will now be a number of short runways to take into account. Aircraft are to be directed on the ground toward various parking spaces. Movements on taxi and runways must be considered. In addition, a great deal of attention must be devoted toward monitoring ground traffic by clearing units, service units and other "movements" within the area. The activity at the command center will acquire a new dimension and the organization must be adapted to it.

New and major demands are made for ground defense of the base battalion. Personnel and materiel are spread out within the base area. Movements and transportation of essential materiel and key personnel will be carried out. The threat from sabotage units, among others, will become increasingly greater. It will become necessary for the battalion to be allocated resources for guarding and protection of personnel and materiel. In addition, the capacity must exist for "beating" an attacker within the limits of the base area. The creation of a ground defense company is one of the major changes in the base battalion organization. Guard platoons with well-trained guards and commando platoons with air base commandos, who will have advanced materiel (such as sensors) and above all dogs, will considerably increase the capability of the battalion to defend itself.

Protection and endurance are achieved through mobility and dispersal. But that is not sufficient in order to achieve a good level of protection. The organization must also include resources for protection against NBC warfare, fire protection and ammunition clearing. Particularly great attention is devoted to the ammunition clearing function with a view to the weapon systems currently important in the threat picture, with area weapons, cluster weapons and mines with various forms of "dirty tricks." It is essential that primarily runways and taxiways can be cleared, so that they can be repaired quickly and then be used again.

Runway repair is another function which will be of increased importance in the new base system. The need for many takeoff and landing strips was pointed out

earlier. As soon as one or several runways have been knocked out, the field units must be brought in rapidly in order to maintain the number of runways at the required level. The field work companies have therefore been given a different structure in order for them to be spread out within the air base and thus be able to maintain a high level of preparedness.

The maintenance function will also change character. Maintenance at a base battalion is extensive and many-faceted. It includes among other things materiel service, ammunition service, food, fuel, medical care, etc. Here as well the dispersed grouping and the mobility of the units within the base region pose special demands on the organization. This is why a number of maintenance posts have been created, for which the principle is that various units within the battalion will themselves take care of their need for supplies. Medical care has been given priority and improved in the new organization. Among other things, this means that groups of emergency teams will be created at the various maintenance posts.

Finally, new and great demands are being made on the units which are to solve the principal task of the base battalion--readying aircraft and repairing aircraft so that a high level of emergency preparedness can be maintained and the aircraft units can be deployed against an attacker with full force. The function of mobile readying has now been implemented within the base service for a number of years. These are major efforts which are required of the personnel in the service troops: professional knowledge, leadership and behavior befitting the unit and active service.

The Human Being in Base 90

What, then, are these demands which are made on the human being in our new base system? Must they be "supermen" of some kind? By no means, but there must definitely be an adjustment and a development of the human factor in a way consistent with what is happening in tactics, organization and materiel.

It is still valid, to the same degree as before, that the principal mission serves as the guideline for operations at the base battalion. Service and readying of aircraft will always come first. To prepare and repair aircraft rapidly and safely in any weather, in light and darkness and under various other conditions, requires a great deal of professional knowledge, stubbornness and capability for initiative. These are qualities which are and have always been present in Air Force technical personnel. This has become something of the hallmark of the flight technician.

But now something else as well must be added. Now there must be a knowledge and understanding of the activity of the base battalion in its entirety in a completely different manner than before. Not "only" the professional flight technician but the unit chief will head his unit in his part of the air base compound. Coordination, cooperation, reporting, understanding what is happening in general are significant factors. The decisions will be decentralized, so that problems will be solved where they occur.

It is not only the technical personnel who will undergo this "conversion." It applies equally to all units within all areas of operation. The human being is the focal point in a totally different manner than before. That might apply to maintenance units or ground defense units, ammunition clearing or runway repair personnel, fire or rescue or service personnel or tactical command personnel. The human being occupies a central position in his job, his duty, in the complex activities of the base battalion.

At the same time, the principal task must never be forgotten. The aircraft must be ready to take off! There must not be any weak links in the complicated chain of the base battalion which might jeopardize the eventual accomplishment of the ultimate goal. Everyone must strive and pull in the same direction. The rule is still that it is the men (and women) on the ground which keep the aircraft in the air.

A transition to a new base system is a drawn-out and complicated process. The base expansion will take place gradually over a long period. New materiel is procured and new tactics developed little by little. The organization is adapted and new personnel and equipment tables are worked out. The wartime units are successively reorganized and manned. Of primary importance is that the personnel are cared for in the right manner. Education is of great significance in this connection. Education and training must be adapted to the new demands which are imposed on the personnel. The purpose must be to create wartime units which are as good as possible.

Base 90 has encountered many difficulties during its introductory period. The road toward the final goal is still long and difficult, but nevertheless the ultimate goal can now be discerned. The ultimate goal—a unique base system without its equivalent in any other part of the world. A Swedish base system adapted to Swedish conditions with great and individualized demands for facilities, materiel and above all personnel. A base system with the human being at the center. A task which requires creativity and individual idea solutions.

Base 90—a child of the same spirit as the Air Force's Image 90.

Research and Development Role

Stockholm FLYGVAPENNYTT in Swedish No 3, 1986 pp 24-25

[Article by Lars Christofferson: "Change, Creativity and Military Thinking"]

[Text] Even a very simple and superficial glance backward at the history of the Air Force points up the significance of technical and tactical renewal through the times. The Air Force has been sensitive to this and also has not been marked by rigid patterns, which it had to be forced to break up laboriously. Instead, the Air Force has been flexible and easily adaptable. But the question is, what importance does the renewal effort have today? Or

is there something in the high-technology organization which points toward the need for new ways to solve the problems? Who initiates changes and how are they implemented?

A nation's defense force, or a part of it, must never be allowed to become static. It is necessary to make use of creativity and smooth the path for visionaries. Without renewal, the behavior of a defense force becomes predictable. This leads to vulnerability.

Obstacles to Renewal

A unit with good morale and with confidence in its own capability is marked by a certain agreement in the members' way of thinking and acting. Reliability and cooperation are words of honor. However, the mutual dependence within the units requires coordinated, predictable behavior on the part of the members. Two pilots who attack a target must be able to rely on each other and understand each other's manner of flying.

What has been said about individuals in a unit also applies to units, of course, since these are members of yet larger units. Aerial wars are fought with a number of mutually dependent units. It involves coordination of people, aircraft, weapons, communications and maintenance. One might ask whether new thinking, creativity and more unfettered behavior might not be obstacles to cooperation and coordination?

It might perhaps be held that creativity and innovations are more at home in a military planning phase than in the operations themselves. This could apply from planning an individual flight mission to building an entire air force. But there are problems with this as well. The design of modern aerial combat systems takes considerably longer time than the development and establishment of a flight mission or an air force. The systems must also be in service for a long time. In the shorter perspective there are prepared tactical manuals which can be consulted, and in the longer perspective a heavy, industrial, political and strategic mass must be moved. The inertia can be remarkable.

Obviously, the creative innovator can encounter difficulties. This might involve all sectors: for example procurement of materiel, planning, education or operational activity. In their ordinary daily duties our reformers have so little time for developing ideas that this portion becomes neglected. Furthermore, he or she might have to fight superiors who consider themselves as having a well-tested and well-working system. The fact that changes nevertheless do get implemented is therefore regarded as a riddle by many.

War Is the Area of Uncertainty

To be able to handle the unexpected and uncertain becomes increasingly difficult. Since it is a matter of commanding and controlling airborne movements across a widespread region with all the possibilities of modern electronic warfare, there is so much that can go wrong. When planning, organization, coordination and communications no longer completely function,

individuals at all levels must rely on their own resourcefulness, imagination, flexibility, initiative and common sense.

A well-trained soldier responds instinctively to the circumstances which require rapid, immediate measures. But perhaps the unexpected requires something different than stereotype behavior? Uniformity strengthens dependence in the unit and this is necessary for coordinated behavior. But uniformity encroaches on independent thinking. Actions therefore become predictable. How is anyone to be educated and trained to understand and react correctly to the unknown?

If a renewal process is necessary--creative behavior and ability to handle the uncertain are prerequisites for being successful in modern fighter warfare--then how should Air Force operations be designed? Are we, by the way, getting the right applicants for jobs as Air Force officers? There is a clear connection between creativity, the ability to think fresh, individuality, imagination, initiative and independence. When did we last see an exhortation such as: Join the Air Force and become a developer and creator! And if we get people with those qualities, are we then able to provide the stimuli and the challenges they need?

Contradictions

A number of contradictions exist that could be worth studying: discipline--individuality, uniformity--initiative, obeying--renewing, resolve--flexibility, imagination--objectivity, passion--coolness. It is obviously difficult to combine them all in one and the same individual. But is it impossible? Is it not possible to see the concepts as complementary in approximately the same way as quantum physicists handle some of their concepts?

Atomic physicists can describe atomic fragments as either particles or as waves in space. Both images are correct but exclude one another. An atomic fragment must be either a particle or a wave that washes through space. But both images cannot apply at the same time! Physicists have found a connection which tells when one or the other image may be used. They say that the descriptions are complementary.

Is it perhaps the same way with the pairs of opposites in military activity? It is a matter of finding the formula that describes when the one half of the pair of opposites may be used, and when the other one is to be preferred? Maybe the solution lies in an expanded educational view?

Education in a New Light

Taking time out from purely military training in order to devote oneself to other educational activities could scarcely be defended. But the approach could be discussed. We must let the combat environment of the 1990's (tactics, way of thinking, weapons technology, design of the weapon system) have an impact on the training even today in the entire educational chain.

If, for example, we want initiative and creativity to be elements in the behavior of an officer, these must be allowed to develop as early as during basic training. Are those who think in tactical terms to enter the GFU [not further identified]?

The concept of education itself should perhaps be broadened? Maybe one should try to get the pupils to see beyond today's possibilities and attempt to shape tomorrow's. The training would then teach an officer to recognize the pairs of opposites and to accept them as the contradictions that are built into his profession. It is then likely that he will not be bothered by the conflicting demands he will encounter.

When a young officer gets to his first unit, he must continue to learn that there is a time for reflection, a time for actions. There is a time for unanimity and one for independence. Sometimes an activity needs to be confirmed, and sometimes it needs to be developed.

Only under good leadership can the future officer develop these characteristics. He must be allowed to have a leader who can see that the creative thoughts of a subordinate are a result of the leadership and not a hostile expression aimed at the chief. The chiefs must become more like educators or visionaries, who are capable of leading by indicating the goals rather than giving orders in detail. It is then also likely that the leaders would more actively participate in the activity--not behave as stodgy desk jockeys.

The High-Technology Organization and Its Special Requirements

It could be dangerous to tie the doctrines and tactics of a defense power exclusively to today's materiel and values. The materiel and thoughts of a certain period are only a link in a development process. An excessively statistical view could tempt us into a sense of false security.

The technical development of today goes extraordinarily fast. But the speed of change is not the only thing interesting. The explosive force of development is greater than that; it affects our fundamental evaluations. The significance of the technology factor will expand and emphasize the information content. The knowledge of a new technology and how to organize it in order to utilize it will be of significant importance for the development of organizations such as the Air Force. It is reasonable to assume that Air Force jobs will become increasingly information-intensive and less routine-creating. This development trend is already evident. The demands for adjustment and flexibility will become great.

The greater the element of knowledge is in reality, the greater importance the people will have. The outlined development will acquire major significance for the leadership. Highly competent people want to shape their development themselves, push their ideas themselves, make decisions themselves and be challenged. Life in such an organization may not be very calm, but it provides opportunities for human and organizational development. Such a

development might be, for instance, to place responsibility for tactical development on the division level.

Many military theoreticians and practitioners maintain that new technology will alter the art of warfare in a fundamental manner. The new technology is not only changing tactics but also yielding a new way of thinking, decision-making functions are changing etc. With technological development follow new models for solving problems, as well as different roles for the human being in this complex environment.

The Air Force has all the prerequisites for successfully entering a new era. The source of the success lies in the people. The Air Force's new Image 90 work concept provides the right environment for development. Use it!

What is AI?

AI stands for Artificial Intelligence and describes computerized aids or support functions which in a technical manner realize complicated ("intelligent") functions such as human evaluation, the capability of drawing conclusions and utilizing diffuse knowledge, interpretation/understanding of complicated data such as speech/text, images etc. One application the AI method is used in so-called expert systems. These are computer aids (computers and programs) which are to imitate a human expert within a limited field of application (field of expertise).

Electronic Warfare Discussed

Stockholm FLYGVAPENNYTT in Swedish No 3, 1986 p 25

[Article: "Sensor and Computer Technology--Fields of Work for the Air Force Image"]

[Text] The greatest change in recent years is considered to be the displays in our Viggen and Gripen aircraft. A considerable increase in strength is also taking place in areas such as fighter command (STRIL 90), operational and tactical command (LEO, SEFIR and ATLE) and simulator training. The development of various expert systems, based on, among other things, so-called artificial intelligence (AI) will result in "improvements" in a not too distant future.

The Air Force has long had considerable capability for gathering information through radar, photo and night reconnaissance, etc., but the Air Force has not had the corresponding opportunity for evaluating all the material. Processing and evaluation could only be done after completion of the mission. By utilizing electronics instead of phototechnology, the information can be transmitted directly from the aircraft in the air to the ground for rapid processing and distribution between intelligence organs and other consumers. However, this presumes that the electronically transmitted information has sufficient resolution for its purpose. The reconnaissance functions of the

JAS 39 Gripen will be based on electro-optical sensors. Image transmission in near real time will also be utilized. New radar reconnaissance planes are being procured.

Decentralized Data Processing

One danger is that the central authority will receive so much information that it begins to interfere in matters which in fact should be dealt with in the field. Essential information must not be drowned in all the other information. Upward information must be shaped so that no more than necessary is available in order to make decisions at the level where it belongs. The Structure 90 panel has been appointed in order to solve these problems.

The Conscripts and Officers of the Computer Age--an Asset

Today's generation of conscripts and officers, who grew up with calculators and computers, arrive at the Air Force with good general knowledge in the computer field. This means shorter training time with a considerable increase in effectiveness as a result. The use of high-technology materiel costs a great deal of money. In order to save money, we must utilize simulators of varying types for training purposes. Another important area is equipment for trouble-shooting and testing of modern materiel. The competence of young Air Force officers and conscripts is used and developed in the training for and handling of modern materiel.

The Air Force's Dependence on Electronic Systems and Their Development

The Air Force has long been a leader in electronic development, above all in computer technology. In the late 1950's, when the Air Force took the major decision regarding the Stril 60 system, we were the first in Sweden to switch from analog to digital systems.

Fast aircraft require very rapid transmission, processing and presentation of information. The Air Force's very high demands for information quality mean greater dependence on the development of electronic systems. Qualitatively, the Air Force must keep up with the development in the world outside Sweden in order not to lag behind.

The development in the field of integrated circuits and technology within the Air Force has meant a great deal for the corresponding development in all of Swedish society.

Air Force specifications for materiel and our industry's very high level of technology are the reasons why the Air Force is able to keep up with developments. New measures give rise to new countermeasures, however. But all problems in the field of integrated circuits and technology can be solved by technical means. It just costs a lot of money.

This involves systems which are not visible--"what the eye does not see and the heart does not feel." This type of invisible warfare and invisible

systems is becoming more and more important, but simultaneously requires more knowledge in order for its significance to become clear. Justifying the defense forces' need for aircraft, ships and tanks is not that difficult, but when the military needs equipment for electronic warfare, one has entered a field that is hard to grasp. More knowledge and insight is needed in this area in order to carry on a discussion as well as to understand the need for this materiel.

Office Automation in Peace and War

Work is currently under way within the so-called LEO project to reach a balance between computerized staff service support in peacetime and in war. But there is some concern that the know-how which is based on automation in peacetime will not function in the intended manner in a war because of destruction and power failures. Will the personnel then be capable of going back to simpler measures? Do the personnel have the strength, capacity and training to retain the knowledge of doing it both ways? The Armed Forces must plan and be trained for this.

11949

CSO: 3650/307

MILITARY

TURKEY

NEW COMMUNICATIONS NETWORK TO BE BUILT FOR ARMED FORCES

Istanbul DUNYA in Turkish 28 Aug 86 p 9

[Text] Ankara--The Ministry of National Defense is planning an investment larger than the recently announced "Radio Production Project" with an estimated cost of \$200 million. The new investment, known as the TAFICS Project, may reportedly cost 150 to 200 billion Turkish liras.

A contract has been prepared for international bidding on the feasibility study for the investment which will integrate the communications of the Turkish armed forces linking them to a single center and which will facilitate the electronic operation of this system. Bidding for the feasibility study will open on 6 October 1986. It is believed that the bidding for the project will be competitive because of the project's large scale.

The TAFICS Project will be built with contributions from NATO which will also pay for part of the cost of the feasibility study. The project, which will be built to meet the needs of the Turkish armed forces, envisages the building of a nationwide communications network and the establishment of data gathering centers in various parts of the country and various other subunits to be affiliated with these centers.

According to the information obtained, the system, which is planned to be completely "digital," will make telephones, telexes and facsimile units compatible with high-speed data communications and will automate telephone and telegraph communications.

The major portion of the TAFICS system will be made up of data transfer centers, terminals, message transfer units, high-capacity computers and data banks. The system will use the radiolink medium as a means of communications and will use high-capacity cables at the lower level.

9588

CSO: 3554/10

ENERGY

GREECE

LARGE LIGNITE PRODUCING UNIT FACES PROBLEMS

Athens I KATHIMERINI in Greek 7 Oct 86 p 8

[Text] Huge problems in production and operation are being faced by the DEI's [Public Power Corporation] large Ptolemais lignite center, the unit which is essentially the support for the country's electricity production. Large delays in production, irregularities in the operation and organization of the mines, inoperativeness of mechanical equipment worth many billions of drachmas, costly production by contractors, and delay in the delivery of machinery from "Pyrkal" are among the most basic problems creating inauspicious prospects for the future course of the lignite mines and, as a result, for the production of the greater part of our electricity.

These verifications were made last Thursday, 2 October, at the conference organized by the Association of Mineralogists-Engineers at the TEE [Technical Chamber of Greece], with the topic: "The Ptolemais Lignite Mine: Past, Present and Future."

It is distinctive that, at the conference, the Ministry of Industry and Energy's latest announcement on the recent discovery of a new, large lignite deposit at Ptolemais was contradicted. As was reported, half of these deposits have been known about for decades, and the other half since the exploration begun in 1980-81, but the related geologic and stratigraphic study has not yet been completed.

The distinctive and interesting verifications about problems at the Ptolemais lignite mines which were made at the conference--concerning which DEI showed a typical indifference--are the following:

1. The Ptolemais southern mine, which is the largest, is presently producing only 10 percent of its output. The main excavating machines are underutilized and their output barely amounts to 30 percent of normal. The basic reason is the existence of hard, horizontal rock layers, but their removal is being delayed by the lack of suitable equipment, which should have been operating since 1984 and will be operating in 1988, and by inadequate maintenance of the mine's ancillary equipment.
2. The Kardias Ptolemais lignite mine, which today puts out 50 percent of the lignite produced, will be used up on the period 1987-91. There is no study of the next mine, number six, and the issue has become complicated because there are conflicting opinions on the correct way to attack it.

Because of the non-existence of the study, which began in 1983 but has not yet ended, there will be significant delays in the lignite production since the infrastructure works and necessary equipment were not planned for in time.

3. It was confirmed that there are big shortages in the lignite production, though excavating machines worth 20 billion drachmas are not being used and are getting rusty.

These shortages are being covered by contractors who are exploiting the lignite in an unorthodox way. Four to five billion drachmas are being spent each year for these contractors.

4. The equipment for the lignite mines is seriously overdue because the DEI-PYRKAL program agreement, which in a monopolistic way gave the constructions to PYRKAL, has not been carried out, and this means a three-year delay in the development of the mines.

9247

CSO: 3521/16

ENERGY

GREECE

BRIEFS

LIGNITE DEPOSITS--A new deposit of lignite amounting to 400 million tons was located near the mines and the stations of the lignite center of Ptolemais of the DEI [Public Power Corporation], as announced yesterday by the minister of Industry and Energy, Mr M. Natsinas. The amount of 400 million tons is equal with the lignite mined to date from the beginning of the operation of the lignite center in Ptolemais, a period of 30 years, according to a statement by the minister. [Text]
[Athens I KATHIMERINI in Greek 30 Sep 86 p 7] 9346/12223

CSO: 3521/11

ENERGY

TURKEY

IZMIR REFINERY TO BE EXPANDED; NEW POWER GRID IN ADANA

Istanbul DUNYA in Turkish 27 Aug 86 p 5

[Text] The Tekfen Construction and Installation Corporation was awarded the contract to build and assemble the new crude oil unloading pier in Izmir.

The installations for which bids were sought by the Izmir Regional Directorate of the Turkish Oil Refineries Corporation incorporate the construction, manufacture and assembly of a new crude oil unloading pier where tankers of up to 250,000 tons of displacement can dock, a tugboat pier and a piloting terminal, access roads, pipe ducts and pipelines, access bridges and piers and their superstructures within the framework of the Izmir Refinery Expansion Project.

The contract which is expected to be completed in 900 days is worth 5 billion Turkish liras. Meanwhile, work has begun on the construction of a medium and low-voltage grid in the Ceyhan County of Adana.

This project, which was contracted by the Corporate Management Department Chairmanship of the Turkish Electric Power Enterprise Directorate General to Tekfen Construction and Installation Corporation, is scheduled to be completed in 36 months.

The project which incorporates the construction of a medium and low-voltage network in the county of Ceyhan also envisages improvements in the old network.

The project whose official start date is 28 April 1986 is currently building a construction site and carrying out mobilization work.

9588

CSO: 3554/10

ENVIRONMENTAL ISSUES

SPAIN

CHEMICAL WASTE DUMPING TO CONTINUE IN CADIZ BAY

Madrid EL PAIS in Spanish 13 Sep 86 p 24

[Article by Juan Carlos Alvaro]

[Text] Huelva--The administration has again granted permission to the chemical enterprise Tioxide Espana, S.A. to dump toxic waste in the Gulf of Cadiz for one year. The deadline of the permit, which has been granted annually to the enterprise since 12 September 1974, was precisely yesterday. This renewal goes into effect in spite of the demonstrations carried out in August by the international ecological organization Greenpeace to prevent the daily dumping of some 1,000 tons of titanium dioxide residue in the sea, 35 miles off the coasts of Huelva and Cadiz.

On 10 September, the Merchant Marine General Directorate sent a telex to the Navy Command of Huelva authorizing the renewal of the permit to dump toxic waste coming from Tioxide Espana, S.A. in the Gulf of Cadiz. This is an operation that has been carried out every day for more than 10 years by the vessels Nerva and Niebla of the Auxtramarsa shipping concern, and it was the object of the denunciations of Greenpeace in their "Save the Mediterranean" campaign.

In mid-August, the ship Sirius of the international ecological organization intercepted the dumping vessels Nerva and Niebla on several occasions, impeding the dumping of more than 4,000 tons of waste from titanium dioxide and sulfuric oxide residues.

Greenpeace members chained themselves to the discharge pipes of those vessels on that occasion. According to data furnished by the ecological coordinator of Huelva, nearly 4.5 million tons of chemical residues have been deposited in an area of 230 [square] miles, with the resultant detriment to the marine fauna.

Contamination Study

The renewal of the dumping permit took place just a day after the ship Cornides Saavedra of the Marine Fishery General Secretariat completed a study of the contamination of the waters of this area of the gulf, with the aid of

the Spanish Oceanographic Institute. From the 4th to the 9th of the current month, the administration's vessel conducted a program to track the contamination of the Huelva estuary, and the impact which the dumping that the Tioxide Espana, S.A. enterprise is carrying out in the Gulf of Cadiz is having on the marine environment. The order to proceed with this activity was issued on 28 July, and various samplings of sediment were collected but the final results of the program are not yet known.

Luis Perez Rojas, deputy director of marine protection of the Merchant Marine General Directorate, has stated that although the results of the analyses carried out by the ship Cornides Saavedra are not known, "these are not required for the renewal of the dumping permit of Tioxide." According to Perez Rojas, the new concession was made "pursuant to the enterprise's observance of the international obligations that Spain has contracted under the Oslo and Paris agreements concerning the prevention of marine contamination by dumping from vessels and from sources ashore."

The merchant marine directorate demanded of the Auxtramarsa shipping concern, owner of the vessels Nerva and Niebla, to furnish a thorough report on its activities. The report was submitted early this year, and it was subsequently turned in to the international organizations.

The deputy director of marine protection has noted, however, that despite Tioxide's intention to have the dumping permit renewed for the next two years, it was granted for only one year "in view of the yearly changes that take place in the international regulations concerning the prevention of marine contamination."

8414/9312

CSO: 3548/2

END